

Stocks Renew Fall, With 2d-Biggest Drop in Dow Weak Dollar Depresses Markets New York Index Slides 157 Points

By Ferdinand Proetzman
The dollar plunged 4 pence in Frankfurt on Monday, and its weakness unleashed further steep declines on the world's major stock exchanges.

Monday, although currency rates have held relatively stable since then.
The nervousness and speculation played into heavy selling sentiment coming from Asia.

NEW YORK — A new wave of selling gripped the New York Stock Exchange on Monday, and the Dow Jones industrial average skidded 156.83 points, its second-worst single-day performance.

8.04 percent. Monday's drop was surpassed only by the 508-point fall a week earlier.
After last week's ferocious beginning, the Dow index recovered nearly 300 points on Tuesday and Wednesday and finally ended Friday with a loss of 296 points for the five days.

U.S. Sets Embargo On Trade With Iran

WASHINGTON — President Ronald Reagan, citing "aggressive disregard for the most fundamental norms of international conduct," imposed a broad trade embargo against Iran on Monday for attacks on U.S. and other interests in the Gulf.

Kiosk Not Bluffing On Summit, Reagan Asserts

WASHINGTON (AP) — President Ronald Reagan indicated Monday that he would not allow himself to be outmaneuvered in the jockeying with Mikhail S. Gorbachev over an arms control treaty and a summit meeting.



The Minnesota Twins celebrated Sunday night after winning the World Series, Page 19.

GENERAL NEWS
The Solidarity union in Poland urged citizens to boycott a planned referendum, Page 6.



In Hong Kong, residents peer anxiously through the entrance to the stock exchange.

International Prices Drop Sharply

Share prices dived again in Asia and Europe on Monday, dashing hopes that the start of the week would see the end of the world securities crisis.



President Ronald Reagan at the start of a meeting in Washington on Monday with members of the bipartisan committee on the U.S. federal budget deficit.

Markets Take Another Plunge

Table with columns: World Markets, City, Index Close, Point Change, Percentage Change. Includes rows for London, Paris, Frankfurt, Tokyo, and Hong Kong.

Hong Kong Index Dives 33%

By Patrick L. Smith
HONG KONG — Share prices on the Stock Exchange of Hong Kong plunged Monday, pushing the local Hang Seng index down a record 33 percent.

Broker Is Slain in Miami

Miami — An investor who suffered heavily in the fall of the stock market opened fire in a Merrill Lynch brokerage office Monday, killing one vice president, critically wounding another and then killing himself.

Reagan and Legislators Agree To Truce During Deficit Talks

By Lou Cannon and Tom Kenworthy
WASHINGTON — President Ronald Reagan and congressional leaders met Monday at the White House under the deepening shadow of economic crisis and agreed to set aside partisan criticism in the interest of working out a compromise package to reduce the federal budget deficit.

Labor Movement in U.S. Forging a New Agenda

Coping With a Modern Work Force, Unions Bend to Spirit of the Times

By E.J. Dionne Jr.
New York Times Service

MIAMI BEACH, Florida — The American labor movement, whose leaders opened their annual convention here Monday, is embarking on new ventures in organizing and political action as it confronts a changing work force and a national economy that has abandoned many of the rules that prevailed when labor was a dominant force in American life.

At the heart of the challenge to the leaders of the AFL-CIO unions gathering here is a breakdown of the social contract that prevailed in the two decades after World War II, many academics and labor officials say. Throughout that period, rapid economic growth and a broad political consensus guaranteed steady advances in the standard of living of the broad American middle class.

Underwritten by a vibrant manufacturing sector that provided steady wage increases, the political consensus supported programs to expand access to home ownership and college education, leading to a suburban building boom and the expansion of the consumer economy.

Labor played a major role in fostering the consensus, and in the period immediately after World War II, it could count 35 percent of the work force in its ranks. With such strength, its influence extended well beyond its own membership and could force improved labor standards even in nonunion companies, said Stephen J. Schlossberg, a former United Auto Workers official and a former deputy secretary of labor.

Perhaps the high point of the era came when the American Federation of Labor and the Congress of Industrial Organizations merged in 1955 to form a new and seemingly invincible alliance. In 1957, according to the Gallup Poll, 76 percent of the American public approved of unions.

Now, labor's share of the work force stands at about half of its postwar peak, its approval rating has dropped to around 55 percent and the movement confronts an entirely new working population and an environment more hostile to its cause.

Millions of families who could once survive on the income of the male wage-earner now need two paychecks to support the standard of living to which the middle class has become accustomed. Many of the new female workers have part-time jobs, and part-time workers have always been difficult to organize. And the turnover among such workers is often great.

Allen Y. Zack, director of publications and media for the United Food and Commercial Workers Union, said, "A lot of these jobs turn over three or four times a year."

Labor's industrial bastions in steel, automobiles, mining and clothing are in economic decline, and these industries have been replaced by service industries that have often proved resistant to unionization.

Perhaps most damaging to labor has been the rise of a political climate in which individualism is honored and words like "solidarity" seem old-fashioned and somehow inimical to the entrepreneurial spirit of the time. The breaking of the players' strike in the National Football League through the use of "replacement players" is symbolic of the new rules by which labor has been forced to play.

Geri D. Palast, director of politics and legislation for the Service Employees International Union, said there is far less instinctive respect for a union picket line now than there would have been even 15 years ago.

"No one understands labor anymore," she said. "You're almost back to where you started from."

And with the rise of interest rates and college tuitions and the decline or abolition of programs ranging from the G.I. Bill to student loan programs, both private homes and college educations now take up a much larger share of family incomes — and in many cases are beyond reach. This part of the postwar equation has also decayed.

In fact, many labor leaders believe the movement has already hit bottom and is on its way back up. In Congress, labor is pushing a bold agenda that includes mandatory health insurance for all workers, leave for parents of newborn children, a higher minimum wage and a new list of workers' rights, including the right to be informed in advance if a plant is to be shut down.

The labor movement is attacked

'No one understands labor anymore. You're almost back to where you started from.'

— Geri D. Palast, Union official



PAYING HOMAGE — The Nicaraguan interior minister, Tomás Borge Martínez, kissed the hand of Bishop Hadley E. Wilson of the Moravian Protestant denomination during a government ceremony in Managua honoring the bishop for 25 years of service as a pastor.

Contra Aides Meet Secretly With Cardinal

By James LeMoyne
New York Times Service

MIAMI — Top military and political officials of the Nicaraguan rebels have met secretly in New York with Cardinal Miguel Obando y Bravo, the Roman Catholic primate of Nicaragua, according to rebel and U.S. officials.

The meeting, which took place Saturday, is significant because the Roman Catholic leader is regarded as one of the few people in Nicaragua who may be able to find a formula for a cease-fire in time to meet the early November deadline stipulated in a regional peace treaty.

to comply with its provisions calling for a full amnesty for political prisoners and a negotiated cease-fire to end guerrilla wars in the region, the officials said.

The administration has made a calculated judgment that the Sandinistas cannot afford to release their jailed political opponents at a time of widespread popular discontent inside Nicaragua. They have also decided that they cannot afford to grant the rebels a degree of political legitimacy, one administration official said.

Contra officials said in interviews that their strategy is to press the Sandinistas as hard as possible for political concessions, while stepping up military attacks.

The rebels recently carried out the most politically impressive and militarily damaging series of attacks in recent years. In addition, they appear to have increasingly mastered the use of missiles provided by the Americans. They are regularly shooting down Sandinist aircraft, including two more combat helicopters this month.

Contra officials say their forces will soon carry out other major attacks, a pledge they may not be

Chile and Panama Supplying Bombs To Nicaragua, U.S. Officials Assert

By John M. Goshko
Washington Post Service

WASHINGTON — In a covert arrangement with the rightist regimes of Panama and Chile, Nicaragua's Marxist Sandinistas have obtained cluster bombs to drop on U.S.-backed guerrillas, according to U.S. officials.

The officials said the United States has reliable intelligence that Nicaragua and Chile, which do not have diplomatic relations, have used Panama as middleman in the transactions, which began three to four months ago.

The officials said Panama purchased an unspecified number of cluster bombs from Ferrimar, a Chilean armaments maker with close ties to the Chilean military government, then transferred them secretly to Nicaragua.

Cluster bombs spread shrapnel over a wide area. Many human rights and disarmament activists have denounced their use as inhumane. The United States stopped sending them to Israel following

allegations that Israel improperly used them during the 1982 invasion of Lebanon.

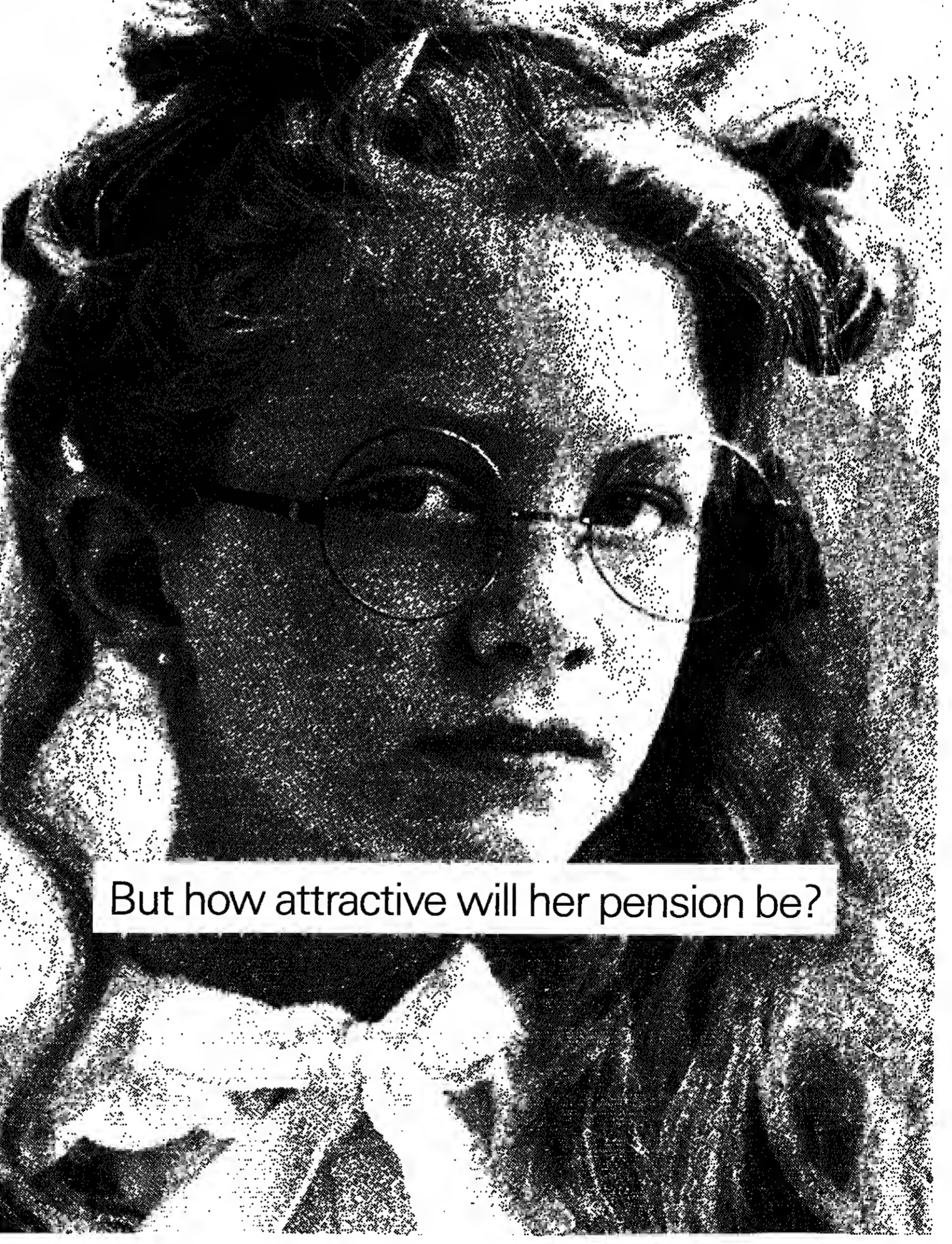
Spokesmen in Washington for the three countries said they had no information about such a sale.

Bosco Matamoros, a spokesman for the Nicaraguan rebels, or contras, said that the contra forces inside Nicaragua had recovered several cluster bomb canisters used against them by Nicaraguan government forces in bombing raids on Oct. 7, 8 and 10.

He added that Cyrillic markings indicated the bombs were Soviet-made, and he said the contras had no evidence that Nicaragua was using similar weapons made in Chile.

U.S. officials, while declining to offer specific information, insisted the cluster bomb sales took place. They also said the United States is certain that Chilean-made cluster bombs were used in recent air attacks by Nicaraguan forces against the contras.

Both companies later branched into export sales, and Cardoen, in particular, has sold cluster bombs and other items to various countries. Its largest customer is Iraq, which is estimated to have bought about 95 percent of Cardoen's cluster bomb production last year.



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Rights Leader Is Killed in San Salvador

United Press International

SAN SALVADOR — Two men shot and killed the president of the Human Rights Commission on Monday as he was dropping his children off at school, the police said.

"It is clear who is responsible," the private group said in a statement after learning of the slaying of Herbert Anaya. "It is the work of death squads tied to the security forces, and we hold the government and their security forces directly responsible."

Mr. Anaya was the last surviving original member of the commission, which was founded in 1979 to monitor human rights in El Salvador. The other members were also killed.

The shooting came a day after human rights groups and church leaders asserted that an amnesty proposed by President José Napoleón Duarte would make it impossible to prosecute members of rightist death squads.

The police said the two gunmen, using automatic weapons with silencers, shot Mr. Anaya at point-blank range.

Witnesses told a radio station that he had escorted his children to school and was about to get back into his car when a pickup truck with the two men in the back killed him.

Mr. Anaya and the commission aid recently that they had been receiving an increasing number of death threats.

In the late 1970s and early 1980s the rightist death squads, often linked to the security forces, killed an estimated 40,000 people, including human rights, union and political workers.

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Herald Tribune

On Space, Meet Halfway

America was thrown into an understandable panic when the Soviet Union launched its Sputnik, the first space satellite, 30 years ago. But Washington is overreacting to the latest shocking space threat: a Soviet offer to launch payloads at unbeatable prices...

For Rejoining UNESCO

The coming exit of Amadou Mahtar M'Bow as director-general of UNESCO is welcome in itself and for the signal it sends to entrenched bureaucrats in other international organizations...

Bork Without the Myths

The vote on Robert Bork is in danger of passing into history but into folklore. The dueling ballads are already being written on both sides. The forces of good or evil defeat a badly needed reform to first principles...

Other Comment

The Bills Are Coming In
The events of the last few months have been trying to tell America something about its mindless excesses. They have been saying you can't run a government on credit cards...

Needed: Help for Children in War Zones

By Thomas Hammarberg

STOCKHOLM — Two important peace initiatives are being tested at this moment, one in Sri Lanka and the other in Central America. There seems to be some chance that the wars in both places will come to an end...

How Do We Wage War On Piracy?

By Richard Reeves

LONDON — Stephen King, a clothing designer with a shop of his own in Chelsea, had a burglary the other night. The fifth this year. Scotland Yard says there are five or six similar break-ins each week...

China: The Party Can Talk but the Problems Remain

By Patrice de Beer

PARIS — As the 13th congress of the Chinese Communist Party moves slowly toward its conclusion, the message from Beijing, although far from intentional, is clear: The reforms launched almost a decade ago by Deng Xiaoping, China's paramount leader, have lost their momentum...

you can solve problems only while pushing reforms forward. Others favor a pause — if not more. The same goes for political reform, through which Mr. Deng sees a way to strengthen the party's leadership of the country...

India: Being a Major Regional Power Has Its Price

By S. Nihal Singh

NEW DELHI — There can be no denying that India is in a most difficult situation in Sri Lanka. But the crescendo of criticism that the Indo-Sri Lanka accord of July 1986 has attracted in India denigrates a remarkable agreement and provides no answers to the horrendous tasks facing India in the island nation...

Esalam, whose leader had made no secret of his reservations. A second was to protect the Jayawardeniya government. A third was the backlash of the Sinhalese against the Sri Lankan Tamils and India. A fourth was the potential of the Sinhalese militant organization, Janatha Vimukthi Peramuna (JVP), to create mischief...

Hear a Latin Lesson in Democracy

By Stephen S. Rosenfeld

WASHINGTON — The way Latins speak of democracy makes some people in other parts of the world roll their eyes in quiet mockery of the empty, floridness and hyperbole that are often on view. This response not only does the Latins a considerable injustice but impedes an understanding of the most powerful force operating in Central America for peace...

cratic values is the principal basis on which they intend to wield it. The presidents profess a large faith in the United States, and specifically in U.S. devotion to hemispheric democracy. There may be an element of artifice in it, but it seems genuine enough to me, and it is certainly touching to behold...

100, 75 AND 50 YEARS AGO

- 1887: Mozart Honored
1937: No Plan for Spain
1912: Navy Ages Fast

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OPINION

How Smiling Mike Got Nasty And Pulled a Double-Cross

By William Safire

WASHINGTON — "When sorrows come," said the king in "Hamlet," "they come not single spies, but in battalions!" Trust Mikhail Gorbachev to take full advantage of Ronald Reagan's tribulations — the defeat of his Supreme Court nominee, the shock of the stock market plunge, the illness of the First Lady — by breaking his repeated promises of a treaty-signing summit meeting.

Just as at Reykjavik, the Russian leader dangled all sorts of arms reduction goodies before Secretary of State George Shultz, causing the Western world to salivate. Then, in a classic double-cross, he came back with a "last-minute linkage." Smiling Mike became stony cold and tied everything to abandonment of testing of the American nuclear shield.

You might think Americans would learn from this treatment that Mr. Gorbachev's assurances are meaningless, his negotiating technique duplicitous, his commitment to equitable arms reduction spurious. You would assume Mr. Reagan would learn that the more he shows his eagerness for a summit meeting, the higher the price the Russians will make him pay.

But Mr. Shultz blandly says he will wait for the Soviet double-cross in writing. A New York Times editorialist promptly demands that Mr. Reagan start "compromising on his star wars' dream."

Next, we can expect that the Democratic Senate, having just turned down a justice for being too legalistic, will embrace the legalisms of Senator Sam Nunn in supporting the Soviet interpretation of the anti-ballistic missile treaty. And America's bedazzled Kremlinology corps, eagerly awaiting the Soviet leader's propaganda tract, "Perestroika," will assure us that the last-minute linkage is not the fault of Smiling Mike but comes only from his enemies, who keep getting ousted or killed in helicopter crashes.

Now is the time for Ronald Reagan to forget his photo opportunity in history and to remember America's place in the world.

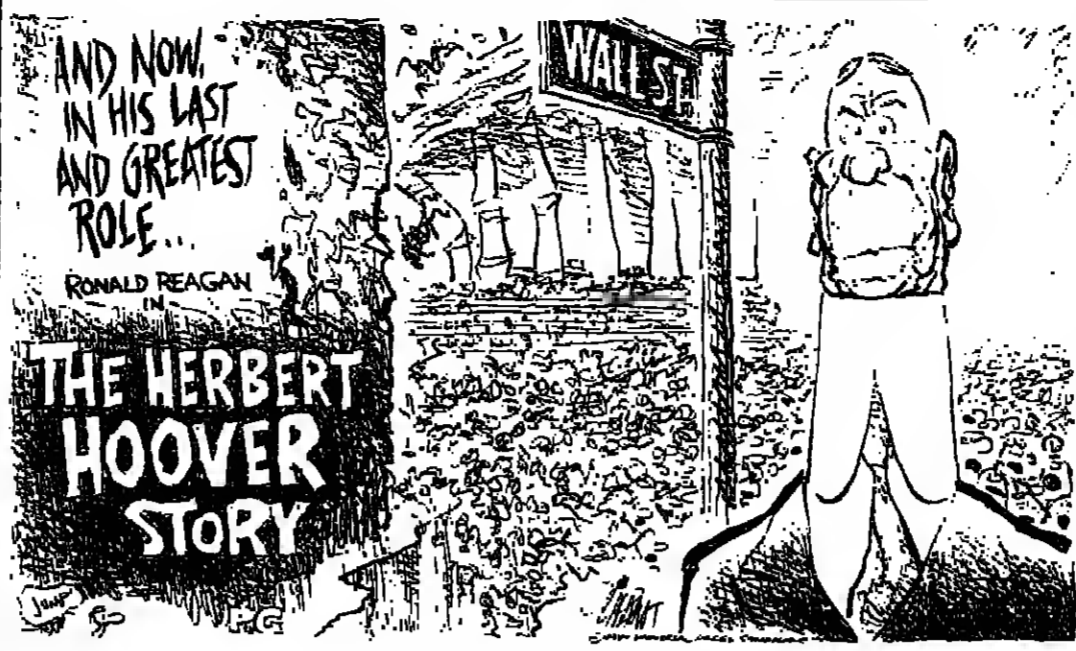
Under pressure from both the double-dealer in the Kremlin and dovish Nunnites in the Congress, he should react not angrily, like a summitator spurned, but coolly, like the leader of a superpower.

How much further proof do we need that the Russians regard his Strategic Defense Initiative as the answer to their intercontinental missile dominance? The Russians evidently know something about the future technology's ability to knock down missiles that our Union of Worried Physicists and Flippant Editorials do not know. Mr. Gorbachev hopes to outwit or outwait Mr. Reagan on what is the central strategic issue of our time; he cannot be allowed to succeed.

First, the president should send a clear message that he will not be victimized a third time by last-minute linkage. He should appoint General Edward Rowley to a new post of arms reduction czar. The Soviet side knows him to be an experienced, hard-line negotiator who speaks Russian fluently. Mr. Shultz and Max Kampelman are patriots and will put the need for a switch in time ahead of any personal considerations.

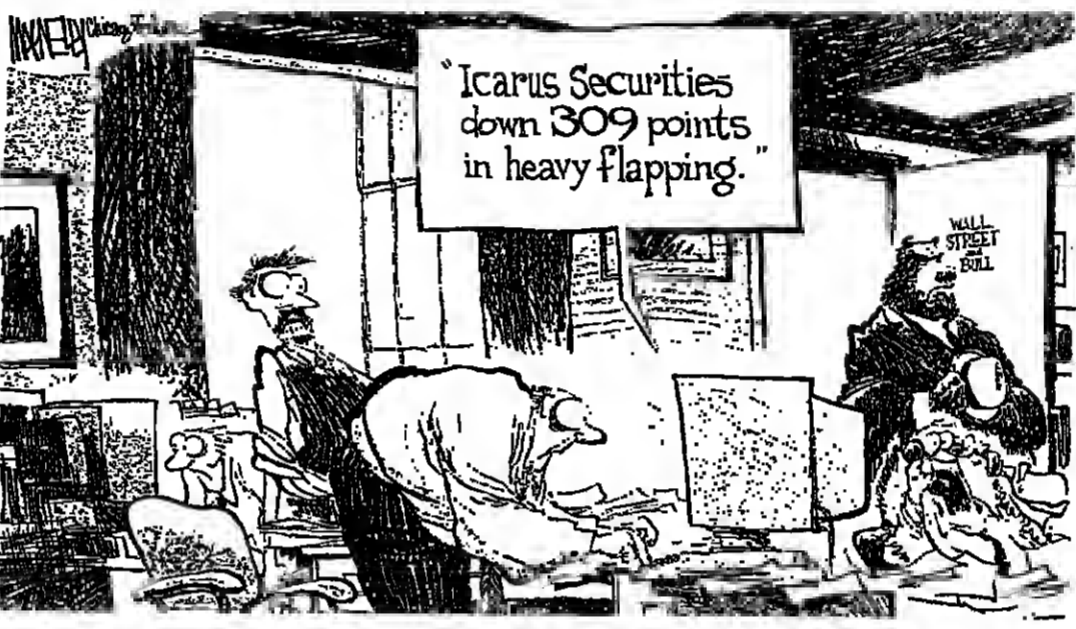
Next, in the Rowley Round at Geneva, it should be made plain that the Start negotiations, on the reduction of long-range missiles capable of hitting the United States, take first priority. America should seize the Soviet desire for linkage; the negotiations on intermediate-range missiles that the Russians desire, on missiles capable of hitting the Soviet Union from Europe, will have to wait until the Kremlin gets serious about reducing the missiles that threaten the United States. You want a package? Fine; you will remain within medium-range missile range until you get serious about a package.

Third, Ronald Reagan should make clear that the red carpet is going to be rolled up and mobilized in March. He will pay nothing for the privilege of showing Mr. Gorbachev around. The next opportunity for a summit meeting will not roll around until late 1989, if that soon, under the next president: the Democratic candidates, as well as Mario Cuomo, should be ready to say that delay will get the Russians no easier terms.



The biggest mistake made by most individual investors is in expecting that the market will be rational.

— Robert C. Kirby, a broker.



Spiritual Ingrates, We Forget Our Debt to Plato and Parents

By William F. Buckley Jr.

NEW YORK — When I was 13 years old I was chaperoned here and there, along with two sisters of about the same age, about the greater environs of London. My music teacher, whom I loved and still do, was by my side when I went to the counter of a souvenir shop in Stratford-upon-Avon and paid out three or four shillings for Shakespearean sundries I had picked out. An elderly lady took my money, withdrew from the display case a tiny one-square-inch edition of "Romeo

and Juliet" and, smiling, gave it to me. A gift. I took the sympathy she had just before given me in change, and deposited it in her hand. A reciprocal gift.

Once outside, I received a kind but resonant rebuke from my music teacher. I had done an offensive thing, she instructed me. A gift is a gift, she told me. I must learn, she said, to accept gifts. They are profaned by any gesture of automatic reciprocity.

Many years later I read, in some biography or other of Abraham Lincoln, about an episode that had briefly stalled the receiving line at the White House with corporate embarrassment. A lady in the receiving line, after taking the president's hand in formal greeting, stuck forward with her left hand a huge bundle of long-stemmed roses, depositing them in Lincoln's hand. The president — and the receiving line — were immobilized. Abraham Lincoln smiled. And said, "Are these really for me?"

"Yes," the guest replied, beaming. "In that case," Lincoln said, "I can think of nothing that would give me more pleasure than to present them to you." The flowers were returned; there were smiles all the way around. The lady took back her roses, smiled in turn, and the line moved on.

That is a singular exception to my music teacher's injunction about the social sin of reciprocal gifts. Few people, in public life or private, have managed — indeed, could manage — such extemporaneous grace.

Many years went by. And then, a fortnight ago, I received on my trusty electronic MCI a message from a friend, a computer expert. He said that the retrieval system I had yearned for, which would permit me to locate individual book files in my library via my computer, had been completed. He had worked on it (in the interstices of his busy schedule) for more than a month. "It is yours," his message read, "as a belated Christmas present."

I flashed back on MCI (this is the only bizzardous aspect of that wonder-

ful system, the temptation to make an on-the-spot reply) that I insisted that he send me a bill for his professional services. One minute later, my mind traveling back to the little old lady at the souvenir store at Stratford, in later dejection I shed the grown-up equivalent of tears at my gauche.

The unrequited gift is, in Edmund Burke's phrase, one of the unbought graces of life. The effort there and then to repay scars the transaction. What is left is a fatally deplorable event. The spontaneous, or, for that matter, the long-contemplated appreciative gesture, is X-rayed into its desiccated atomic parts.

The universal offense, remarked by Ortega y Gasset as the mark of the masses in revolt, is that of the Westerner — rich or poor — who accepts without any thought of any debt incurred the patrimony we all enjoy, those of us who live in the free world.

The unrequited, bombarding thought that we owe nothing to Plato and Aristotle, nothing to the prophets who wrote the Bible, nothing to the generations who fought the freedoms reified in the Bill of Rights, are basket cases of ingratitude. We cannot hope to repay Secrete, what he gave us, but to live lives without any sense of obligation to those who made those lives as tolerable as ours are — the lack of gratitude to our parents who suffered to raise us, our teachers who labored to teach us, the scientists who proffered our lives when our appendix burst — is spiritually atrophying.

We cannot repay the gift of the Beatitudes. But the failure to recognize that we all owe a huge debt that can only be repaid by our puny efforts to attempt, in our parlous way, to repay the gifts we inherit marks us as the masses in revolt; against our benefactors, our benefactors.

To fail to feel gratitude, when walking through the Metropolitan Museum in New York, or when listening to the music of Johann Sebastian Bach, isn't to profane the generosity of the lady behind the counter at Stratford-upon-Avon, but to decline to express, however clumsily, our gratitude for the fruits of genius, for the generosity that gave us the lives we lead.

Universal Press Syndicate.

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LETTERS TO THE EDITOR

A Diminished Foreign Service Hurts America and the World

As a second-generation member of the U.S. Foreign Service, I thank you for publishing recent articles and editorials on the unprecedented damage being done to U.S. diplomacy by the current budgetary and political attacks on the State Department. Unlike other departments, more of State's budget goes to maintain its personnel, scattered over an increasingly dangerous, expensive and technically complex world, than to administer programs or purchase equipment. This is why major budget cuts weaken the backbone of the Foreign Service — the professional officer corps — with more crippling effect than equal cuts elsewhere. The forced closing of 12 overseas posts and the elimination of almost 1,300 jobs, as just the first of a series of cuts, is foolish and shameful for a country with such vast resources and responsibilities.

The great majority of Foreign Service officers I have known over 25 years are able, hard-working and dedicated. The diligence with which State is now eviscerating itself is characteristic of the loyalty and energy with which, despite distorted charges to the contrary, it has effectively implemented the varying foreign policies of successive administrations.

As a taxpayer, I support frugality in America's sprawling government, but I am profoundly distressed by the devastation that reckless and petty cost-cutting is wreaking on a diplomatic service of vital importance not only to the United States but to stability around the globe. I can attest that the hamstringing of the State Department is forcing many experienced officers to consider other career options.

ROBERT K. BOGGS, U.S. Embassy, New Delhi.

The Mastectomy Controversy

Regarding "Nancy Reagan's Mastectomy Criticized" (Oct. 19): As a member of *Vieze Comme Avant*, the French equivalent of the American *Reach for Recovery*, I cannot permit the statement by Rose Kushner, that "Mrs. Reagan set us back 10 years... I'm not recommending that anyone do it her way," to go unanswered. Is Mrs. Kushner, executive director of the Breast Cancer Advisory Center in Kensington, Maryland, a doctor or a surgeon? Has she had cancer?

I can cite numerous cases in which a radical mastectomy was not performed because the surgeon thought it unnecessary and which later ended in disaster. Even at the Sloan-Kettering Cancer Center in New York you will find opinions to bear me out. It is more than worth the mutilation to know that one is as safe as possible. Mrs. Kushner's statement can only cast doubt in thousands of minds and make every surgeon's task that much more difficult.

VIRGINIA OWEN, Cannes.

faraway and of little interest. The communications revolution now forces us to be concerned about happenings thousands of miles away. We sit in our homes and see it all, sometimes better than those on the spot.

But the Spanish philosopher José Ortega y Gasset said it much better than I can in his book, "The Revolt of the Masses," back in the 1920s. Read it when you have time.

CALVIN T. DURGIN JR., Madrid.

Let the Young Fight Prejudice

On Sept. 28 you carried a report about 16 Jewish students from Stanford University in California who spent two weeks in West Germany ("Painfully, Young U.S. Jews Get to Know Germans"). I was one of the young Germans they met. I spoke to some of them about their impressions. The experience was thrilling — to sit opposite a young Jew and talk about something neither had been involved in but both felt emotionally. There was a feeling on both sides that is difficult to describe.

Two weeks later I attended a party for them given by Chancellor Helmut Kohl. There was no prejudice or bitterness anymore; they were young people like us. I wanted to bug them. One of the students, named Daniel, told me: "My parents did not want me to come here. Now I am happy that I did it."

In all parents who still remember the Holocaust and do not want their children to visit Germany, pray let them come! This is the only way we can destroy prejudice on both sides and yet keep alive the memory of a period that none of us wants to be repeated.

ALEXANDER SCHONBURG-GLAUCHAU, Munich.

Don't Sneer at the Changing East

With the tarrying summer there exists here in Berlin a feeling of hope as we await winter. In China and the Soviet Union, people are openly considering the possible errors of a dogma. My prayer is that we in the West will not use this time of questioning in the East for minor tactical political advantage. This is no time to rail over past wrongs or threaten the future.

As a soldier, I feel I defend one thing only — that any man, subject to his conscience, and laws made with a view toward the common good, has the right to be mistaken. I would like to think, as rich as we are in the West, we could allow ourselves to extend the protection of this right to those governments in the East now trying to change and grow. Let us give them the opportunity we have had all along and so proudly boast — to be free to admit they have been mistaken; and have the good manners not to ridicule what has been for them an honest effort to govern.

DENNY R. CUTSHALL, Berlin.

At Sea Over a Photograph

The Page 1 photograph in your Oct. 6 edition is neither a warship nor is it shadowing anything. Can some photographer be having fun?

C.D. HOWARD-JOHNSTON, Rear Admiral, Anglet, France.

Button, Button, Who's Got ...

Since the blazer has become almost a uniform for men, could any of your readers advise on the number of metal sleeve buttons to wear? Normally one sees two or three, sometimes even one, but I understand Prince Charles wears four on his blazer sleeve.

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NATO Friction Is Sharpening Over Technology Export Issue

By Joseph Fitcher International Herald Tribune PARIS — Friction in NATO over the export of sensitive technology to the Soviet Union appears to be sharpening as the U.S. Congress becomes more directly involved in the issue.

Simultaneously, Senator Jesse Helms, Republican of North Carolina, announced in Washington that he had admonished the French ambassador, Emmanuel Jacquin de Margerie, about the Raier-Forrest case.

Since French intelligence agents obtained a Soviet dossier in 1981 documenting Soviet military use of Western commercial technology, "France and the United States have worked well, and at the highest level, on this issue," said Francois Heisbourg, director of the International Institute of Strategic Studies.

Legislation under consideration by both houses of Congress would extend restrictions on exports of most U.S. technology to North Atlantic Treaty Organization allies, Japan and other countries if those nations impose adequate safeguards to prevent the technology from being re-exported to the Soviet bloc.

The Reagan administration, apparently alarmed that these remarks would poison U.S.-French talks, quickly denied that the Raier-Forrest case, which dated to 1978, had given the Soviet Union any significant new ability.

But Mr. Heisbourg said, "Extremists in Washington can drive this issue in a way, particularly with publicity, that handicaps European governments' ability to cooperate on many issues."

But as a high-level U.S. delegation arrived in Europe last week for exploratory talks on the proposed changes in technology-control policies, Pentagon officials publicly and privately criticized France for what they said was lax enforcement of export control laws.

In lobbying to head off U.S. reprisals, Toshiba and the Norwegian authorities both started investigations, which confirmed their own companies' violations but also found that companies in other countries had committed similar offenses.

The impact of the political pressure tactics practiced by members of Congress is a new complication for allied leaders. In Norway, compliance with U.S. regulations has been more controversial than diplomats expected.

He was one of several similarly placed U.S. and European officials who said that some conservative members of Congress and Pentagon officials might calculate that well-publicized criticism of the allies could create enough turbulence to upset a Reagan administration effort to liberalize technology transfers throughout the Western alliance and with Japan.

Within hours of the report's becoming public, the four European governments were asked to satisfy the Senate that the allegations were being fully investigated. Bill Triplett, a Senate Foreign Relations Committee staff member, was quoted saying that France had already been asked twice for explanations.

"The episode has aroused unprecedented anti-American feeling, right across the political spectrum," said a former U.S. diplomat who lives in Oslo.

The Pentagon officials cited two cases as evidence that France cannot be trusted to protect technology. One case concerned an exporter of microchip-manufacturing equipment who is under investigation.

French officials were irate in private conversation about U.S. reports concerning a case dating back to the mid-1970s. France is generally credited with being second only to the United States in vigilance on technology.

Domestic political complications of this kind partly explain the Reagan administration's proposals to overhaul the technology-trade arrangements.

U.S. B-1 Bombers to Cost an Additional \$6 Billion

By Molly Moore Washington Post Service WASHINGTON — The U.S. Air Force's B-1 bomber program will cost \$6 billion more for 100 aircraft than the Reagan administration originally stated, according to a congressional report.

Most of the \$6 billion covers items purposely excluded from the original price tag of the strategic bomber by an administration eager to prove it could meet congressional-imposed spending limits, the report says.

The report by the General Accounting Office, an investigative arm of Congress, said some of the cost increases also would be needed to correct major problems with the bomber's defensive avionics equipment and flight controls.

Iranians Say a Rebel Army Is Causing Problems

By Kamran Khan Washington Post Service TEHRAN — Iranian officials have confirmed that military actions staged by the rebel Iranian Liberation Army, made up largely of army dissidents, are causing problems for Iranian forces in the war against Iraq.

Masoud Rajavi, the leader of the rebel Mujahidin Khalq, announced the formation of the rebel army in June, with strong backing from Iraq. Baghdad has reportedly provided training equipment and staging grounds for the unit's operations, as well as a headquarters in the Iraqi capital.

Mujahidin leaders say their group is not involved in terrorist incidents reported in various Iranian cities, but the authorities invariably blame them for bombings and other incidents.

"Hit-and-run strikes by uniformed counterrevolutionaries have resulted in the deaths of dozens of Revolutionary Guards in western Iran," an Iranian official said.

In recent weeks, however, the Persian-language press has started low-key coverage of operations of what they call the "liars."

In Tehran, all government offices are heavily guarded, and people entering the buildings are searched.

Iranians Say a Rebel Army Is Causing Problems

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TRIAL REOPENS — John Demjanjuk, left, the retired Ohio auto worker accused of Nazi war crimes, conferring Monday with his lawyer, John Gillo, as his trial resumed in Jerusalem after a two-month recess. Mr. Demjanjuk, 67, is accused of operating gas chambers at the Treblinka death camp, where about 850,000 people died in 1942-43.

Polish Union Declares Boycott of Referendum

By Jackson Diehl Washington Post Service WARSAW — The banned Solidarity trade union called Monday on Poles to boycott a government referendum next month on proposed economic and political reforms, saying "society should not take part in an undertaking of a purely propaganda nature."

General Jaruzelski has pledged that a series of liberalizing reforms, such as more authority for local governments and more competition in elections, Officials have hinted in recent months about talks with Solidarity activists and efforts to recruit opposition activists for new advisory bodies.

The call, contained in a statement signed by Lech Walesa, posed a potentially serious obstacle for the government of General Wojciech Jaruzelski in its effort to mobilize a long-apatheic society through the referendum campaign.

The union's call appeared to increase significantly the risks of the vote for the government. Previous calls by Solidarity for boycotts of elections, in 1984 and 1985, resulted in abstentions reported by the government at 22 to 25 percent.

"One should remember," said the Solidarity statement, "that the country is ruled today by the same group that six years ago quashed society's democratic aspirations by introducing martial law."

The Temporary Coordinating Commission and an above-ground "temporary" council created last year were replaced by a national executive council headed by Mr. Walesa, according to the statement.

Italian Leader to Visit U.S.

The Associated Press ROME — Prime Minister Giovanni De Michelis will make an official visit to Washington on Dec. 16, a spokesman said on Monday. It will be his first trip to the United States since taking office in July.

But an air force spokesman said that everyone has focused on for years is a paper number that does not really reflect the true cost of what it will take to build 100 B1s and place them in the inventory. Mr. Aspin, chairman of the House Armed Services Committee, had requested the study.

But an air force spokesman said that everyone has focused on for years is a paper number that does not really reflect the true cost of what it will take to build 100 B1s and place them in the inventory.

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Large advertisement for Brussels Airlines featuring a grid of circular stamps with the text 'BRUXELLES-BRUXEL' and 'LIRE'. The stamps are arranged in a pattern that resembles a map or a collection of travel documents. Text at the bottom reads 'COME TO BRUSSELS, SEE THE WORLD.'

COME TO BRUSSELS, SEE THE WORLD.

Advertisement for Sabena Belgian World Airlines. Text includes 'You international travellers know a thing or two. You certainly know Brussels - capital of Europe, historic meeting point of cultures - as a popular destination or stopover. But did you know that Brussels International airport is a European hub that offers you fast connections to anywhere in the world - and spares you the traffic jams and crowded terminals of bigger cities? Did you know that Sabena is the leading airline serving the African continent, with 27 destinations? Or that we can fly you from Brussels to any destination in North America, via 8 strategic gateways - the same day?' Logo for Sabena is included.

Large advertisement for 'INTERNATIONAL CLASSIFIED' containing numerous small classified ads. Includes sections for 'REAL ESTATE TO RENT/SHARE', 'EMPLOYMENT', 'DOMESTIC POSITIONS WANTED', 'HOTELS', 'BOOKS', 'EDUCATION', and 'ESCORTS & GUIDES'. Each section contains detailed text for various services and locations.

Vertical text on the far right edge of the page, including fragments of articles and headlines such as 'Soviets For the Rev...', 'Some U...', 'In East Eros...', 'Pakistan Is Not Eas...', and 'Chinese Bus Plung...'

Soviets Confront Their History

For the Revolution's Anniversary, a Lifting of the Veil

By Philip Taubman
New York Times Service

MOSCOW — With the approach of the 70th anniversary of the revolution, Nov. 7, the Soviet Union is engaged in a fractious exploration of long-veiled chapters in its history.

The historical inquiry has divided scholars, provoked an acrimonious public debate and produced signs of friction among political leaders, particularly Mikhail S. Gorbachev, the Soviet Communist Party general secretary, and Yegor K. Ligachev, the number two party leader.

Although the process has not yet led to the opening of most sealed archives and has cast only the first rays of light on some sensitive periods, it has brought the country to the brink of several major steps that seemed inconceivable a few years ago.

These include the official rehabilitation of revolutionary leaders who were later executed by Stalin as well as recognition of the achievements of Nikita S. Khrushchev, the dishonored former leader.

The re-examination, plowing ground first broken under Khrushchev 30 years ago but left mostly fallow during the era of Leonid I. Brezhnev, is expected to reach a pivotal point on Nov. 2 when Mr. Gorbachev gives a nationally televised address marking the anniversary of the revolution.

Communist Party officials familiar with Mr. Gorbachev's plans said he would deal candidly with the seven decades, giving the country a revised and more complete historical record even as he paid traditional homage to Lenin and the achievements of communism.

Vitali A. Korotich, an editor who has championed the cause of openness and used his magazine, *Ogonyok*, to delve into history, said: "Gorbachev's speech will give us back our past, both the good and the bad, so we may create our future."

A candid assessment of the historical record seems to many Soviet citizens a necessary corollary to Mr. Gorbachev's domestic programs and a prerequisite for further change.

His domestic policies, including a decentralization of economic management, an easing of press and artistic censorship and increased tolerance for dissent represent a partial dismantling of the Stalinist system.

Many Soviets will be disappointed if Mr. Gorbachev, who has called for greater openness in all aspects of life, does not rehabilitate repudiated leaders such as Nikolai I. Bukharin, Grigori Y. Zinoviev, and Lev B. Kamenev, acknowledge Leon Trotsky's role in the revolution, and recognize Khrushchev's contributions.

These and other historical figures, long excised from the official record, have reappeared in newspapers and scholarly discussions in the last two years, but the party has not publicly adopted a new position on their status.

Attention is riveted on these issues in a way not fully appreciated in the West. The visit of Secretary of State George P. Shultz and Mr. Gorbachev's unexpected refusal to commit himself to a visit to Washington this year were almost lost in the preparations for the anniversary commemorations.

Mr. Gorbachev himself has been preoccupied in recent weeks with the planning, and he reportedly spent the day before Mr. Shultz's arrival discussing his scheduled Nov. 2 report with the Central Committee.

The Soviet news agency Tass reported that the committee had endorsed "the main provisions and conclusions" of the report, suggesting that there may not have been support for everything he proposed. Soviet officials said there had been a lively debate.

In recent months a number of senior party officials, sounding less enthusiastic about the reopening of history than Mr. Gorbachev, have called for restraint.

Mr. Ligachev has several times appealed to scholars and editors not to discredit the achievements of the communist system.

At the moment the boundaries of historical research are shifting.



A Lenin banner was part of early celebrations of the Bolshevik Revolution's 70th birthday.

The range and penetration still fall far short of Western standards of openness, and sensitive archives, including those from the revolution and the Stalin period, remain sealed despite promises to unlock them.

Lenin is still treated as a demigod, with no sign that that will change. Western historical works about the Soviet Union are unavailable to most historians.

In addition, candid discussion about past problems has not always translated into a willingness to change the practices to which they gave birth.

Reports about the hardships of collectivization, for instance, have not been followed by any serious consideration of dismantling the system of huge government farms that many Western experts believe has crippled Soviet agriculture.

Because of these limitations, the revival of historical interest and research — which has filled the newspapers and magazines with articles and letters — has been marked by uncertainty about what "white spots" can be filled in and has generated a noisy debate about the propriety of exploring the past.

The government, for example, recently initiated a series of meetings involving historians and Soviet and foreign reporters, apparently hoping to give the press a firsthand taste of scholars' increasing freedom.

At the first session, on Oct. 9, Yuri A. Polyakov, a historian, said the vast majority of the victims of Stalin's purges had been innocent of the crimes for which they were convicted and executed.

"Stalin cleverly used the climate of the period to get rid of people who had opposed him in the past," he said.

In general, Mr. Polyakov seemed cautious. He rejected Western estimates that more than 10 million people had died during the Stalin terror, saying that 1 million was a more realistic number.

A discussion among historians reprinted in the August issue of *Kommunist*, an influential journal of the Central Committee, also reflected the crosscurrents in historiography.

Yuri Afanasiev, who heads the Moscow Institute of Historical Archives and has led the drive to investigate veiled periods, suggested that the terror reflected a systemic weakness rather than the irrational behavior of a single leader — a point Western historians have weighed decades to hear from a Soviet counterpart.

Stalin's brutal campaign to nationalize agriculture and end private farming in the late 1920s and early 1930s has been publicly questioned.

Writing in *Znamya*, a journal of the writers' union, Vladimir Shubin, a sociologist, described the period of collectivization as a time of "inconceivable deprivations and hardships."

But the criticism has produced a backlash. In a letter published by the newspaper *Moskovskoye Novosti*, Anatoli Borisov, a historian, accused Mr. Afanasiev of dealing with issues he was not competent to discuss and "playing into the hands of bourgeois historiography."

Mr. Ligachev, apparently troubled by the new look at Stalin, said in a speech: "In the 1930s this country moved to second place in the world in terms of industrial output, collectivized its agriculture and attained unprecedented heights in developing culture, education, literature and the arts."

China to Boycott
Affair in Moscow

New York Times Service

MOSCOW — The Chinese Communist Party, rejecting overtures from the Kremlin, has decided to boycott the celebration next week of the 70th anniversary of the Bolshevik Revolution, Soviet and Chinese officials said Monday.

The rejection, while not unexpected, was a pointed reminder that despite Mikhail S. Gorbachev's offer to restore normal relations between Moscow and Beijing, the estrangement between the two nations remains deep.

The Chinese party has boycotted Soviet Communist Party congresses and revolutionary holidays since the 1960s, when Moscow and Beijing split over ideology and foreign policy.

Some Unmentionables From the Past

New York Times Service

MOSCOW — Here are some figures of Soviet history who are officially ignored:

LEON TROTSKY, a principal leader of the Bolshevik Revolution, formulated a theory of a "permanent revolution" that he expected to engulf the world. Once in power, he organized the Red Army. An advocate of world revolution, he clashed with Stalin's concept of "socialism in one country." He was exiled in 1929 and assassinated in Mexico in 1940.

GRIGORI Y. ZINOVIEV opposed the Bolshevik seizure of power in 1917 as premature but went along when a party majority voted for Lenin's plan. As head of the Comintern, he joined Lev B. Kamenev and Stalin in a triumvirate after Lenin's death in 1924, and he led the triumvirate's campaign to remove Trotsky from the party. Stalin consolidated his power in 1926. After



Leon Trotsky

they had conspired to overthrow the government.

LEV B. KAMENEV, Trotsky's brother-in-law, was expelled from the party in 1927, recanted and was given minor offices until his arrest and imprisonment in 1934 as an accused accomplice to the murder in 1930 of Sergei M. Kirov, the Leningrad party chief.

NIKOLAI I. BUKHARIN, a Lenin loyalist and party theoretician, allied himself with Zinoviev and Kamenev against Stalin in the 1920s. He advocated slow farm collectivization and industrialization. Stripped of his official positions after Stalin took control, he briefly edited *Izvestia*, the government newspaper, in 1934. He was executed for treason in 1938.

NIKITA S. KHRUSHCHEV became first secretary of the Communist Party in 1953 after a power struggle that followed the death of Stalin. He was removed in 1964 and died in 1971.

years of infighting, Zinoviev became chief defendant in the first of the "show trials" that Stalin held in 1936. Zinoviev, Kamenev and 13 other Old Bolsheviks were executed on charges that

In East Europe, Industrial Growth Erodes National, Cultural Heritages

By John Tagliabue
New York Times Service

KRACOW, Poland — Across Eastern Europe, a crisis of the environment is eroding natural and cultural heritages, confronting Communist governments with major pollution problems at a time when economic difficulties are diminishing the financial resources to deal with them.

In east German cities as Leipzig and Dresden, buildings spared the ravages of World War II are now subject to the gnawing of polluted air.

In the panhandle where East Germany, Czechoslovakia and Poland meet, an area noted for lignite mining and power generation, the evel of water, soil and plant contamination has reached troubling proportions, according to a study by the Wrocław College of Science and Technology in Poland.

Major rivers such as the Oder, which divides Poland and East Germany, and the Vistula, central Poland's largest waterway, are clogged with industrial waste and sewage — the spinoff of rapid post-war industrialization and population growth.

The developing environmental crisis is causing governments all over Eastern Europe for the first time to consider scaling back local industries, like steel and chemicals, in certain areas in light of their lagging environmental effects and poor economic prospects.

"The restructuring of Poland after World War II was largely a history of industrialization, of transforming an agricultural society into an industrial nation," said Marek Paszucha, Kracow's deputy mayor and an engineer who is also responsible for environmental protection in the Kracow region. "But the restructuring is now showing its negative sides."

There are three principal problems, and that is land, water and the air, involving both noise and pollution," he said. "I stress the last because it is vital. Putting it simply, there are two main sources: industrial production and power generation."

He added: "We know that the technology of our industrial plant and power industries is not the most modern."

The radioactive cloud from the Chernobyl nuclear accident in the Soviet Union 18 months ago, which forced governments to take emergency public health measures, was one pollution development that shook the people of Eastern Europe.

In cities such as Kracow, though, it did not take Chernobyl to let people know that something was wrong.

A lovely southern city on the Vistula, Kracow is an example of many of the environmental problems that beset Eastern Europe.

High salinity in the Vistula from industrial waste and farm fertilizers, and pollution of lesser tributaries that supply some of the city's drinking water, have raised concern.

Now-facilec statues next to the Church of St. Peter and Paul on Grodzka Street, and flanking stone friezes on the sturdy Wawel Cathedral on a hill above the city, are a kind of barometer of the sulfur compounds spewed out by nearby blast furnaces and power plants.

Kracow's old buildings have earned it a place on a list of the world's cultural heritages compiled by the United Nations Educational, Scientific and Cultural Organization, a fact that conveys privileged status among Polish cities. Large sums of money are spent on restoration by the national government and private donors.

The ecological threat has caused a public outcry. The local chapter of Freedom and Peace, a loosely organized Polish opposition group that began with the issue of conscientious objection to military duty, includes environmental activity in its program.

Long before such demonstrations, however, moonlighting ecologists and local scientists banded together in the Polish Ecological Club, a government-endorsed organization that has since spread its activities across Poland to raise public consciousness about the environmental problem.

Communist governments throughout the East bloc seek to channel such activity. In September, Kracow was the scene of a meeting of similar groups from East Germany, Czechoslovakia, Hungary and the Soviet Union.

Pollution is widespread in many Western nations as well, but experts consider the crisis more severe and further along in Eastern Europe. For one thing, Eastern European industry is more heavily concentrated in small areas than in Western Europe or the United States. Also, lack of money and the fact that industrial management and environmental control are in the hands of the same leaders has tended to slow cleanup efforts.

Some economists say that sufficient profitability to permit the industries themselves to pay for pollution-control equipment — rather than expecting the government to supply it — can only come if the mills scale back unprofitable activities, as steel mills in most Western countries have done, and lay off thousands of unnecessary workers. Such measures are unpalatable to the political leadership that fears unemployment and labor unrest.

Pakistan Says Afghanistan Is Not Easing Pullout Policy

Reuters

ISLAMABAD — Pakistan condemned on Monday an Afghan government assertion that it had eased its position on ending the conflict in which Soviet and Afghan forces are engaged against anti-communist guerrillas. A Foreign Ministry spokesman said Kabul's drive for peace with the rebels is in fact "a campaign of disinformation."

Kabul and Moscow, the spokesman said, have asserted that Soviet troops, estimated by the West to number about 115,000, will leave

Afghanistan upon termination of what the say is Western interference in backing the rebels. The Pakistani spokesman said attempts by Kabul to link the two issues in a forthcoming UN resolution were unacceptable.

The UN General Assembly holds its annual debate on Afghanistan on Nov. 9-10; seven previous debates have resulted in large majorities calling implicitly for a withdrawal of Soviet troops from Afghanistan. Pakistan, which is host to rebel bases, is co-sponsoring the resolution with 46 other states.

The Pakistani government, led by Major General Najib, had sent emissaries to 50 or 60 countries and was campaigning at the United Nations in advance of the debate. Pakistan has countered by sending its own envoys to more than 30 countries in Africa, Asia and Latin America as well as campaigning at the United Nations.

Chinese Bus Plunge Kills 21
The Associated Press

BEIJING — A bus plunged 30 meters (97 meters) into a ravine in Anxi Province, in central China, killing 21 persons and injuring 31 others, according to a Shanghai newspaper received here on Monday.

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Living Abroad Drying Out Alcoholics: U.S. Method Is Gaining

By Sherry Buchanan
International Herald Tribune

A small but growing number of clinics in Western Europe are using American-inspired approaches in treating alcoholism.

The most widely accepted treatment in the United States is the so-called Minnesota method, which has its roots at the Hazelden treatment clinic in Center City, Minnesota.

The Minnesota method, in use for 35 years, is based on the idea that alcoholism is a disease. It follows the principles of Alcoholics Anonymous, advocates total abstinence as the only cure, and uses individual and group therapy with a multidisciplinary team (a clergyman, a psychologist, a physician and a chemical dependency counselor). It also emphasizes aftercare that includes individual and family meetings with one of the clinic's counselors for as long as a year, in addition to AA meetings for the rest of the patient's life.

"Certainly the amount of treatment centers using the Minnesota model is increasing in Europe," said Tony McEllan, program director of the addictive diseases unit at the Charter Clinic in London, which opened in 1980.

The unit's four-week inpatient program costs £7,500 (\$12,000), and the out-patient program costs £60 a day. Only half of the patients are covered by insurance.

There are now eight treatment centers in England using the Minnesota method. In addition to the Charter Clinic, these include Farm Place in Ockley, Surrey; Broadway Lodge in Broadway, Hereford; and the Promise Recovery Center in Nonington, Kent.

In West Germany, there are two treatment centers that follow the Minnesota model. One in Bad Herrenalb and the Obernberg Clinic, which just opened in Bad Salz Uffen. There also is a clinic in Geneva, La Métairie.

Hazelden officials estimate a 60-percent success rate after one year. Traditional treatments, according to medical experts, have a 75-percent relapse rate. They include anti-depression treatment, which often substitutes pills for alcohol, or aversion treatments, which make people feel sick if they drink.

"Anybody can be disintoxicated," said John, a 45-year-old British expatriate who lives in Paris and who after following various other treatments and being dried out 15 times finally went to the Charter Clinic on the recommendation of his physician in London.

"But it doesn't get rid of the alcoholism in one's mind," he said. "I went through every possible treatment before I went to the Charter Clinic. Tranquilizers just compound the addict's problem. In one place in England where I was drying out, they gave me two cans of beer on my dinner tray!"

Said Mr. McEllan: "The traditional way of treating alcoholism is to treat people for anxiety and depression. The attitude is, 'You're depressed, therefore you drink.' We say, 'You drink, therefore you're depressed.'"

These clinics are opposed to the "controlled drinking" groups that have popped up in England to teach people how to drink "normally."

"Alcoholism is an illness, almost like an allergy," said Christine Kerr, a chemical dependency counselor at Farm Place. "If you have an allergy to white sugar you wouldn't expect somebody to be able to eat a little brown sugar."

The treatment costs £840 a week and lasts a minimum of five weeks and an average of eight.

"Proponents of controlled drinking say alcohol is stress-related and treat the stress problem," said Miss Kerr. "But we have people with lots of problems, no problems, lots of stress, no stress, rich and poor, they're isn't anything that links them except alcoholism."

With the new treatment centers in Europe, U.S. companies that used to send their senior executives and spouses back to the United States to dry out are now sending them to England, West Germany and Switzerland, depending on their language preference.

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'Real' Costume Jewelry Is In

By Anne-Marie Schiro
New York Times Service

NEW YORK — It isn't fake anything. It's real costume jewelry. And it's being worn — without apology — by women of every age and financial bracket. A teen-ager picks up a vintage rhinestone brooch in a thrift shop, and her grandmother sports a copy of the Duchess of Windsor's jeweled flamingo pin. Even Brooke Astor has been known to wear bogus gems. It's all in the name of fashion, so much so that "costume jewelry" is more and more referred to as "fashion jewelry."

By any name, it has become a \$2.3 billion-a-year industry. Sales have increased as much as 20 percent annually in the last five years. Small shops specializing in fashion jewelry have sprung up on city streets and in suburban malls all over the United States. Two at the upper end of the scale, where prices climb into the hundreds of dollars, are Ylang-Ylang and Zoé Coste. Both started in Europe, came to New York and have expanded to other cities, all in the space of five years.

A sure sign of the fashionable status of bogus gems was the auction at Sotheby's of Diana Vreeland's collection of costume jewelry, mostly from the 1950s and '60s. The onetime fashion editor and all-time arbiter of style delights in wearing masses of jewelry and often intersperses the real with the fake.

"Once Diana had on two of my fake animal bracelets and a real David Webb," said Kenneth Jay Lane, who helped to make costume jewelry fashionable in the 1950s and who designed more than 60 of the nearly 200 lots in the Vreeland auction. Two of Vreeland's other favorites were Yves Saint Laurent and Chanel.

The auction included four of Chanel's plastic bangle bracelets inset with jeweled Maltese crosses as well as Lane's enameled metal versions of those same bracelets.

Lane originally copied the Chaneis for Vreeland, he said, and then added them to his wholesale collection. They currently sell for about \$100 at retail.

Lane also made costume jewelry for the Duchess of Windsor, including copies of her own flamingo pin and jeweled panthers. He recently revived those designs for his wholesale line and his 12 retail stores in the United States and Europe. The duchess's flamingo and panther jewels were among the stellar attractions in April at the \$50 million Sotheby's auction of her jewelry.

That auction started the current craze for fashion jewelry that looks like the real thing. A few years ago, the demand was for fake, oversize pieces.

One of the first jewelry makers to realize the potential of translating the Windsor treasures into affordable glass and brass was Carolee Designs. In April, Bloomingdale's introduced Carolee's \$75 version of the duchess's flamingo pin, smaller than the original, and it "sold beyond our wildest dreams," said Carolee Friedlander, the company's designer and president.

"That pin started the whole thing," said Becky Martin, the



Carolee Friedlander models jewelry from her fall collection.



Carolee's version of the famous flamingo pin (\$75).

\$2,000 for an evening necklace. Stores report no customer resistance to even the highest prices.

"The higher-priced jewelry is being bought by the woman who has the real," Martin said. "She buys it for travel when she doesn't want to take her good things. Or she buys it because she worries about theft, and jewelry insurance is too high."

Copies of estate jewelry are not the whole story. The other big trend is to sculptural metal designs like those Robert Lee Morris made for Domna Karan. These pieces come in silver, brushed gold-toned metal or brushed copper. "The new generation of costume jewelry wearers goes for these bold pieces with a contemporary look," said Arlette Cohen, a part-owner of Zoé Coste.

"This segment has been growing year after year," said Roger Goring, a vice president and the merchandise manager for accessories at Saks Fifth Avenue. "But our customer tends to be more traditional, so the somewhat more traditional jewelry — the kind that looks like real jewelry — is still extremely important to us."

It isn't only in the highest price levels of the costume jewelry market that these trends are apparent. They can also be seen in the lines of both Monet and Trifari, among the oldest and biggest manufacturers of costume jewelry, whose prices rarely top \$100. "The look of the real is in; fake is out," said Linda Borella, Monet's director of sales promotion.

"Costume jewelry was highly designed from the 1920s when it started, to the 1950s days of movie-star glamour," said Jim Northrup, the president of Trifari. "In the '60s and '70s women's roles and perceptions changed. It was a time of 'anti-artificial' in all areas, including jewelry. Gold became both a fashion and an investment. But as the price of gold increased, all people could afford were dirty chains and earrings. Costume jewelry was also copies of dirty chains and earrings."

Then came the '80s, and fashions changed. "Jewelry was too seriously real or too serious for the fantasy clothes that have come along," said Kenneth Jay Lane. "Nobody's going to say, 'Wow!' about a piece of real jewelry that costs \$600 or \$700. A 'wow' piece would cost \$50,000 or \$150,000 or \$1 million."



Prince of Wales feathers pin (\$95), copied from the Duchess of Windsor's piece now owned by Elizabeth Taylor.

group buyer for costume jewelry at Bloomingdale's. "There's no stopping it. It's still fantastic. In fact, we put it in our Christmas catalogue."

"The duchess has been a major boost to the costume jewelry business," she added. "The panther jewelry is also very strong. Certain customers are aware of the designs. Others are just learning to recognize them. I expect the trend will grow as more people around the

country become aware of it. This is just the beginning."

Carolee recently added a heart pin with the Windsor crest (\$85) and a \$95 version in rhinestones and baguettes of the feather pin Elizabeth Taylor bought for \$623,327.

Carolee's prices go up to \$300. Kenneth Jay Lane's go to \$700 for a necklace or a rhinestone belt like one he originally made for the duchess. Chanel's prices can reach

Publishing Women Rise to the Top

By Edwin McDowell
New York Times Service

NEW YORK — For years, many of the most talented book editors have been women; now they are assuming positions of corporate power.

"The great thing about publishing is that it's entrepreneurial," said Joni Evans, who less than two weeks ago was named publisher of Random House. "If you signed up a best-seller, or edited it, or sold the subsidiary rights, you would get a report card quickly."

Other businesses reward unusual enterprise, of course, and many corporations have responded to charges of sexism by redressing the inequities of the past. But in publishing, women — possibly by virtue of the industry's relatively open atmosphere, or simply because of their numbers — are becoming especially successful.

Evans' career began in 1963, when she started as a secretary at McCall's magazine. A few years later, she went to William Morrow & Co. as an editorial assistant and quickly became a junior editor, before going to Simon & Schuster in 1974 as subsidiary-rights director. Five years later she became the editor of her own imprint and, in 1985, president of trade book publishing.

Her new job makes her a likely candidate to succeed Robert L. Bernstein, the 64-year-old chairman of Random House, when he steps down — but so are a half-dozen other Random House executives, Bernstein said, including Susan Petersen, president of Ballantine-Del Rey-Fawcett Books, and Carolyn Reidy, associate publisher of Vintage Books. If Evans, or one of her female colleagues, indeed is named to the No. 1 position, she won't be alone.

Two months ago Phyllis Grann, who started as a secretary at Doubleday in 1958, became the only female chief executive of a major trade book publisher: the Putnam Publishing Group.

In less than a year, Alberto Vitale, the chief executive officer of the Bantam, Doubleday, Dell Publishing Group, has put three women in charge of companies that he oversees — Nancy Evans at Doubleday, Carolee Baron at Dell and Linda Grey at Bantam Books. In addition, Maxine Egan is editorial director of Doubleday's many book clubs, and Genevieve Young is editor in chief of its influential component, the Literary Guild.

Some executives suggest that publishing's new stars may have benefited from the fact that in the late 1960s and 1970s many ambitious men avoided careers in publishing. "The men who might have competed for those positions may have gone into Wall Street or other businesses that pay more," said Evelyn Shrifte, president of Vanguard Press since 1954.

In the long run, though, some women are finding that the trade-offs they made were worthwhile. "They had a more thorough apprenticeship," said Nan Talese, who last year became publisher of adult trade books at Houghton

Mifflin. In the 1960s, she said, while most women entered publishing as editorial assistants, a largely secretarial position, men generally began at a slightly higher level.

"By coming in in the middle, they never learned the business as well," she said. While many male editors were writing and their female counterparts were doing the editing, she said, the male counterparts were honing their skills in publicity, subsidiary rights and marketing — the parts of the business that are less glamorous but essential to success.

Linda Grey said she never found publishing particularly sexist, but she also remembers the disparity at the entry level. "A few men started as editorial assistants, but most started as readers, so they could put their hands on a manuscript instead of a typewriter."

Despite the changes at the top, few publishing executives expect to see such difference in the kinds of books that are produced. The percentage of female editors has always been high and women have long been recognized as the prime purchasers of books. But perhaps the atmosphere at the houses will change. The overturning of the male status quo could lead publishers to institute such progressive policies as maternity leave and corporate-sponsored child care.

"We're joking about rattles and baby bottles in the conference room," said Nancy Evans of Doubleday, who is expecting her first child in February. In anticipation of eventual parenthood, Lynne Lumsden, the publisher of Dodd, Mead & Co., has already installed a nursery across from her office.

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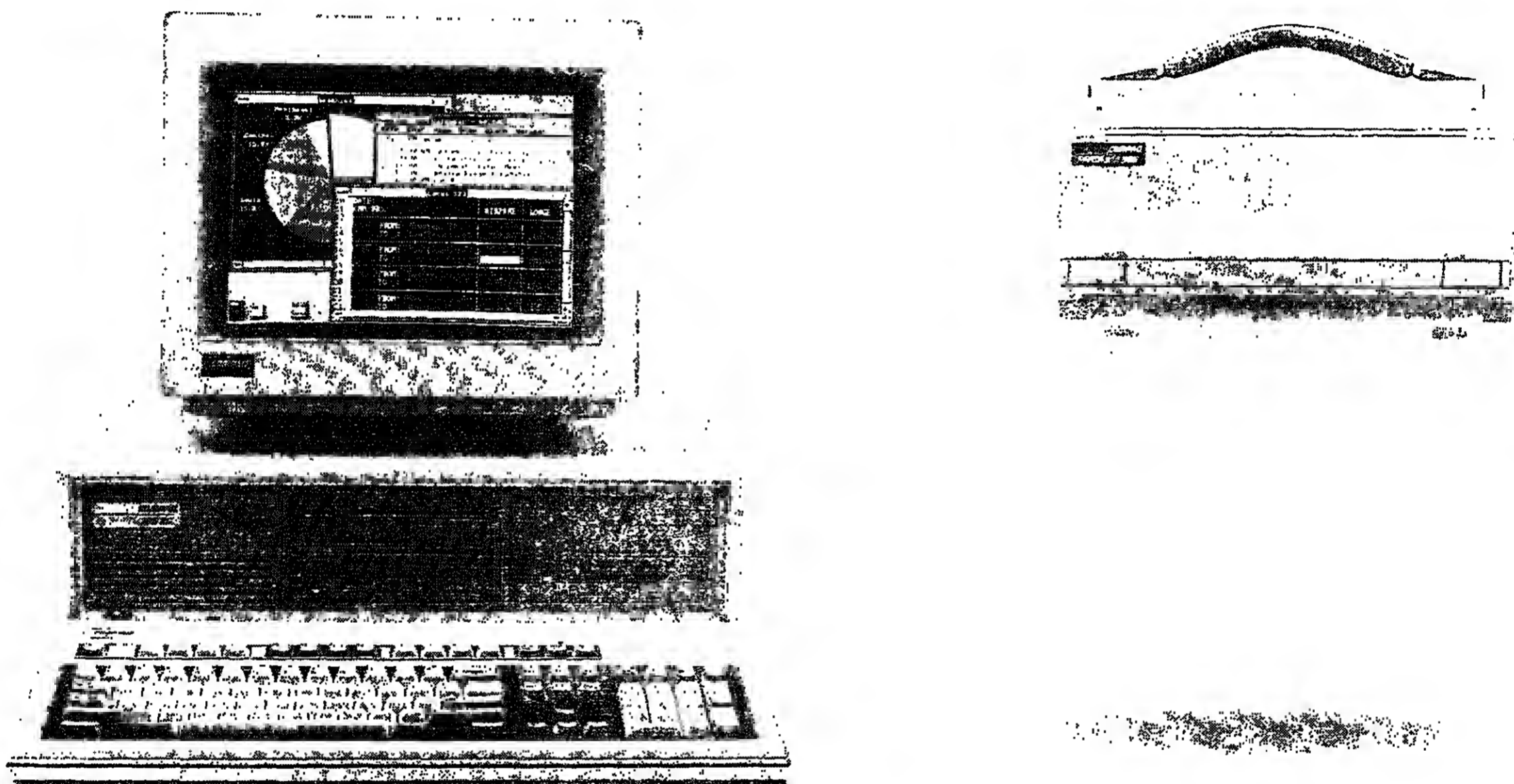
OH!

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MARKETS TAKE NEW PLUNGE: Stock Prices Dive in a Vacuum of Confidence

European Markets Fall After Plunge in Asia

London Index Ends Day Off 111 Points

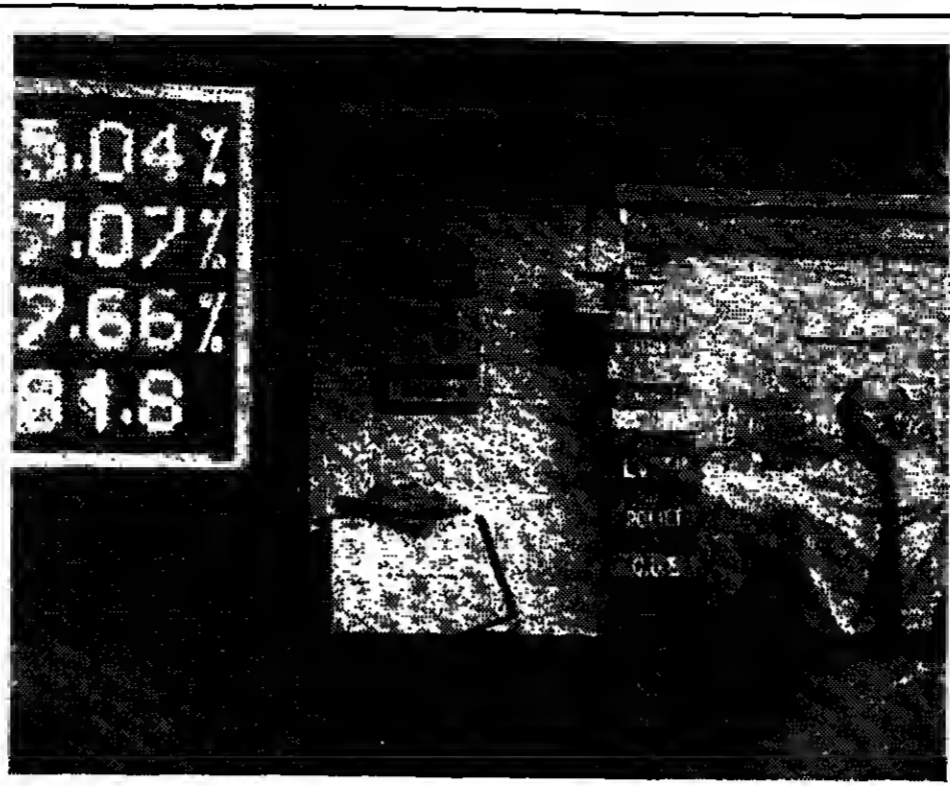
Compiled by Our Staff From Dispatches LONDON — Stock prices fell sharply Monday on the London Stock Exchange in response to a 33 percent plunge on the Hong Kong Stock Exchange...

U.S. Bond Prices Surge as Stocks Resume Fall

The Associated Press NEW YORK — U.S. bond prices soared Monday in moderate trading, as prices on the New York Stock Exchange slid sharply again...

Paris Leads Retreat on The Continent

Reuters PARIS — Prices on major European stock markets plunged Monday in reaction to the sharp falls on Asian markets...



PLUNGE IN PARIS — French stock prices dropped sharply again Monday, with the main index down more than 8 percent. Last week Monday, shares fell a record 9.7 percent.

Tokyo Suffers 3d-Largest Drop

Compiled by Our Staff From Dispatches TOKYO — Prices on the Tokyo Stock Exchange plummeted 4.7 percent on Monday, reflecting worries about Wall Street's health...

Rich Arabs, but Not Governments, Shy From Stocks

Reuters MANAMA, Bahrain — Wealthy Gulf Arabs, jolted by falling stock markets, are rethinking their investment strategies, analysts say...

Warnings But History

NEW YORK — The recent fundamental and technical analysis of the market suggests a period of volatility is ahead...



Employees of the New York Stock Exchange worked over the weekend to help clear a backlog of paperwork.

Wall Street Brokers Still Counting the Cost, but Have Little to Crow About

By Alison Leigh Cowan NEW YORK — After a frantic week of battling the stock market, Wall Street's brokerage firms spent the weekend counting up the debris and getting ready for what seemed certain to be another hectic week...

Rothschild Fixes Loss NEW YORK — L.F. Rothschild Holdings Inc. said Monday that it had suffered a net loss of about \$44 million during the first three weeks of October...

means that when market prices drop as they did last week, the firms are hurt by the fall in value of their inventories. James E. Cayne, co-president of Bear Stearns Co., said, "I would have to say Wall Street firms did not win. As a matter of fact, they lost."

Ford, Exxon Profits Rise Slightly

Refining Limits Gain at Oil Company

Compiled by Our Staff From Dispatches NEW YORK — Exxon Corp., the world's largest oil company, said Monday that its net income during the third quarter increased by less than 1 percent...

Boeing Reports Profit Drop

Reuters SEATTLE — Boeing Co., the world's largest commercial aircraft maker, said Monday that its third-quarter earnings fell to \$104 million, or 67 cents a share...

Another Record Quarter, 6th in a Row, for Automaker

Compiled by Our Staff From Dispatches DETROIT — Ford Motor Co. said Monday that its net profit rose 1.4 percent to \$703.2 million in the third quarter...

Utilities' High Dividends Shining a Little Light in Market's General Gloom

By Phillip H. Wiggins NEW YORK — Although the stock market plunge has lowered prices across the board, it has made the dividends paid on some stocks look attractive in comparison with government securities...

U.K. Weighs Request To Cancel BP Sale

By Warren Getler LONDON — The Treasury said Monday that it was considering requests by British underwriters to cancel the £7.2 billion (B.P.22 billion) government offer of British Petroleum Co. shares...

Table with 2 columns: Stock Market and Currency Rates. Includes data for Dow Jones, Nikkei, etc.

Table with 2 columns: Cross Rates and Forward Rates. Includes data for various currencies like the British pound and the Japanese yen.

Table with 2 columns: Eurocurrency Deposits and Money Rates. Includes data for 1-month, 3-month, and 6-month deposits.

Table with 2 columns: Money Rates. Includes data for various financial instruments like Treasury bills and government bonds.

Suffers Largest Drop

DAI-ICHI KANGYO BANK LONDON BRANCH

DKE Kapitalanlagebank DAI-ICHI KANGYO BANK

TUESDAY, OCTOBER 27, 1987

Page 11

ECONOMIC SCENE

Warnings Were There, But History Was Ignored

By HENRY KAUFMAN New York Times Service Henry Kaufman is managing director at Salomon Brothers Inc. NEW YORK — The historic drop in the stock market was the result of the bearing down of a series of fundamental forces...

The stock market at first ignored these disturbing developments.

THE STOCK MARKET at first ignored these disturbing developments, but the bond market did not. Long-term Treasury bond yields rose through 10 percent, and before the stock markets crashed, bond yields had risen over 35 percent from the lows reached earlier this year.

Currency Rates

Table with columns for currency rates, including US Dollar, Japanese Yen, and other international currencies.

Interest Rates

Table with columns for interest rates, including US Treasury bills, US Treasury notes, and other financial instruments.

Asian Dollar Deposits

Table with columns for Asian Dollar Deposits, including 1 month, 3 months, and 6 months rates.

U.S. Money Market Funds

Table with columns for U.S. Money Market Funds, including Merrill Lynch Bond Assets and Telerate Interest Rate Index.

Gold

Table with columns for Gold prices, including Hong Kong, London, and New York prices.

New Curbs on Program Trades Almost Inevitable

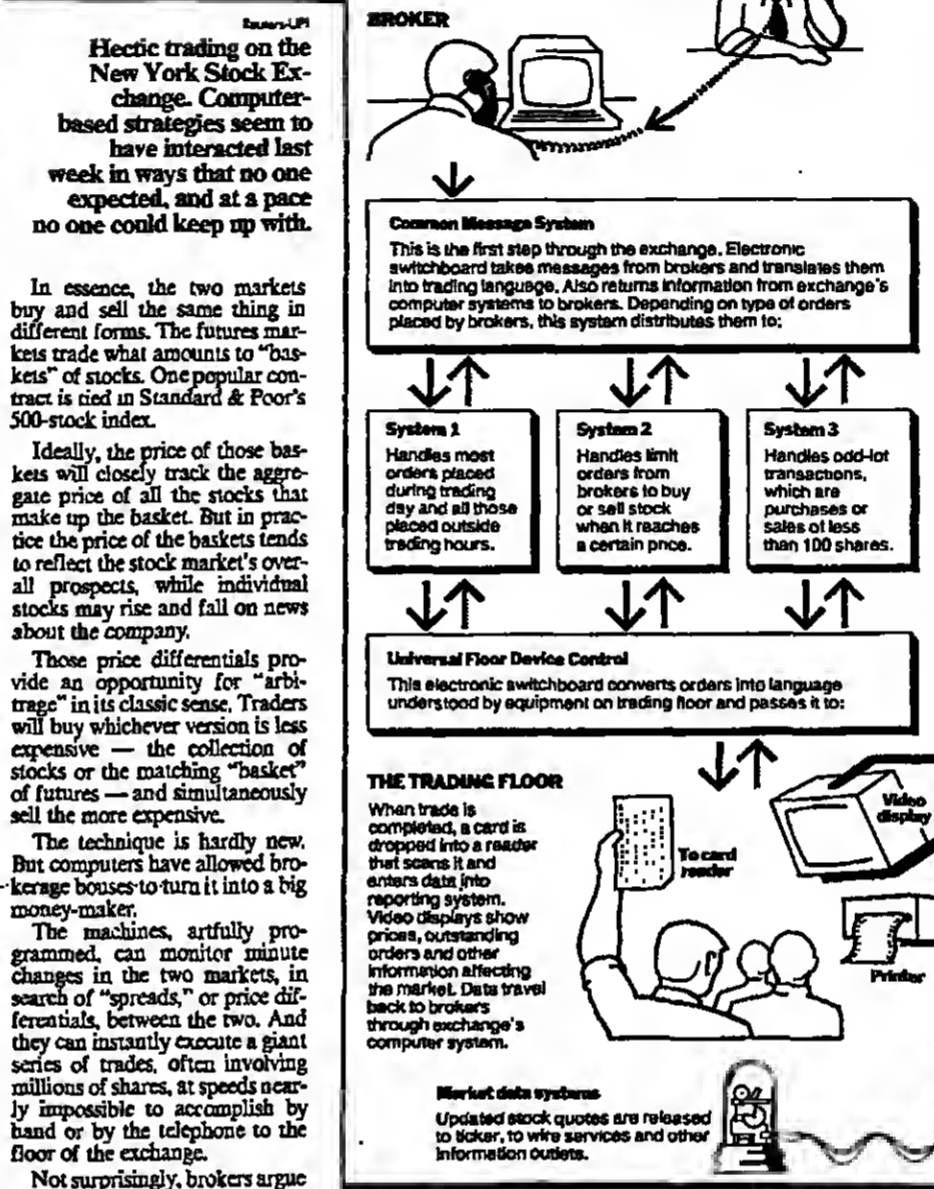
Computers Sped Market's Plunge, Critics Assert

By David E. Sanger New York Times Service NEW YORK — A week of tumult seems to have done what two years of heated debate in Congress and the securities industry did not...



The Technology of the Exchange

Many of the New York Stock Exchange's small orders are routed through a network of powerful computers. This network handles tens of thousands of such transactions each day.



Spending Falls 0.5% in U.S.

WASHINGTON — Americans' personal incomes climbed 0.7 percent in September from August, the biggest monthly improvement since February, but consumer spending had its first setback since January...

The spending figure bodes badly for U.S. economic growth. Many economists are predicting that one major outcome of the stock market crisis will be that Americans, their confidence shaken, will scale back dramatically on buying, especially of large items such as cars, appliances and houses.

U.S. Tool Orders Rebound

By Jonathan P. Hicks New York Times Service NEW YORK — Orders for U.S.-made machine tools rebounded in September, rising 29 percent from the previous month's level...

Netherlands Taking Stake In Fokker

AMSTERDAM — The Dutch government said Monday that it would take a minority stake of up to 49 percent in the aircraft maker Fokker as part of a financial rescue package reached with the company's banks.

one moves, the other moves with it. Until last week, the Securities and Exchange Commission and the stock markets largely agreed.

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| Vol. | High | Low | Last | Chg. |
|----------|-------|--------|--------|------|
| SouthCo | 24915 | 27 1/2 | 27 1/2 | +1/2 |
| Travler | 12000 | 32 1/2 | 32 1/2 | +1/2 |
| Newscor | 8500 | 37 1/2 | 37 1/2 | +1/2 |
| GenTel | 5200 | 42 1/2 | 42 1/2 | +1/2 |
| AT&T | 4200 | 47 1/2 | 47 1/2 | +1/2 |
| Ford | 3200 | 52 1/2 | 52 1/2 | +1/2 |
| IBM | 2200 | 62 1/2 | 62 1/2 | +1/2 |
| VeriFone | 1200 | 72 1/2 | 72 1/2 | +1/2 |
| Chrys | 800 | 82 1/2 | 82 1/2 | +1/2 |
| WaltM S | 600 | 92 1/2 | 92 1/2 | +1/2 |

| | |
|------------------------|-------------|
| NYSE 4 a.m. volume | 209,820,000 |
| NYSE prev. cons. close | 24,250,000 |
| OTC 4 a.m. volume | 18,000,000 |
| OTC prev. cons. close | 18,000,000 |
| OTC 4 p.m. volume | 17,000,000 |
| NYSE volume up | 14,000,000 |
| NYSE volume down | 11,000,000 |
| NYSE volume up | 15,000,000 |
| NYSE volume down | 12,000,000 |
| OTC volume up | 12,000,000 |
| OTC volume down | 10,000,000 |

| High | Low | Close | Chg. |
|------------|----------|----------|--------|
| Composite | 1339 1/4 | 1339 1/4 | +1 1/4 |
| Industrial | 118 3/4 | 118 3/4 | +1/4 |
| Transport | 118 3/4 | 118 3/4 | +1/4 |
| Utilities | 117 1/2 | 117 1/2 | +1/4 |
| Finance | 117 1/2 | 117 1/2 | +1/4 |

Monday's NYSE Closing
Via The Associated Press

| Class | Prev. |
|--------------|--------|
| Advanced | 17 1/2 |
| Declined | 17 1/2 |
| Unchanged | 17 1/2 |
| Total Issues | 17 1/2 |
| New Issues | 17 1/2 |

| Class | Prev. |
|------------|---------|
| Composite | 349 1/2 |
| Industrial | 349 1/2 |
| Transport | 349 1/2 |
| Utilities | 349 1/2 |
| Finance | 349 1/2 |
| Bank | 349 1/2 |
| Trade | 349 1/2 |

| Vol. | High | Low | Last | Chg. |
|----------|------|--------|--------|------|
| VeriFone | 8500 | 72 1/2 | 72 1/2 | +1/2 |
| Newscor | 8500 | 37 1/2 | 37 1/2 | +1/2 |
| GenTel | 5200 | 42 1/2 | 42 1/2 | +1/2 |
| AT&T | 4200 | 47 1/2 | 47 1/2 | +1/2 |
| Ford | 3200 | 52 1/2 | 52 1/2 | +1/2 |
| IBM | 2200 | 62 1/2 | 62 1/2 | +1/2 |

| Class | Chg. |
|-------------|------|
| Bonds | +0.7 |
| Utilities | +0.4 |
| Industrials | +0.1 |

| Class | Prev. |
|--------------|-------|
| Advanced | 134 |
| Declined | 670 |
| Unchanged | 170 |
| Total Issues | 2029 |
| New Issues | 2029 |

| Date | Buy | Sales | Total |
|---------|--------|--------|--------|
| Oct. 23 | 140412 | 602289 | 742701 |
| Oct. 24 | 141412 | 622089 | 763501 |
| Oct. 25 | 142412 | 642089 | 784301 |
| Oct. 26 | 143412 | 662089 | 805101 |
| Oct. 27 | 144412 | 682089 | 825901 |

| Open | High | Low | Last | Chg. | |
|-------|---------|---------|---------|---------|---------|
| Index | 184 1/4 | 181 1/4 | 174 1/4 | 174 1/4 | -15 3/4 |
| Trans | 62 1/2 | 62 1/2 | 62 1/2 | 62 1/2 | -4 3/4 |
| Util | 72 1/2 | 72 1/2 | 72 1/2 | 72 1/2 | -4 3/4 |
| Comp | 62 1/2 | 62 1/2 | 62 1/2 | 62 1/2 | -4 3/4 |

| High | Low | Class | Chg. |
|-------------|---------|---------|--------|
| Industrials | 262 1/2 | 262 1/2 | -4 3/4 |
| Utilities | 192 1/2 | 192 1/2 | -4 3/4 |
| Finance | 282 1/2 | 282 1/2 | -4 3/4 |
| Transport | 232 1/2 | 232 1/2 | -4 3/4 |
| New Issues | 202 1/2 | 202 1/2 | -4 3/4 |

| Class | Prev. |
|--------------|-------|
| Advanced | 229 |
| Declined | 729 |
| Unchanged | 150 |
| Total Issues | 2028 |
| New Issues | 2028 |

| High | Low | Class | Chg. | | |
|------|---------|-------|---------|------|---------|
| High | 349 1/2 | Low | 329 1/2 | Chg. | -20 1/4 |

Tables include the nationwide prices up to the closes on Wall Street and do not reflect late trades elsewhere.

| Div. | Yld. | PE | 52 High | 52 Low | Open | Close |
|------|------|------|---------|---------|---------|---------|
| AA | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AB | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AC | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AD | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AE | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AF | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AG | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AH | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AI | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AJ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AK | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AL | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AM | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AN | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AO | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AP | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AQ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AR | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AS | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AT | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AV | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |

MARKETS: Dow Registers 2d-Biggest Drop

(Continued from Page 1)

...were counting on, she said. "Everybody is shell-shocked and nobody knows what to think." She said one sign that the economy would not go into a severe contraction is that the Federal Reserve was "flooding" the banking system with liquidity.

If the Fed does not turn off the liquidity tap by tightening monetary policy—a move that would push up interest rates—the stock market's collapse will lead at worst to a recession, she said.

The Federal Reserve added liquidity to the banking system just after 10:00 A.M. Monday, at least an hour and a half earlier than it usually conducts operations in the open market. Early interventions are done deliberately when the Fed wants to call the financial markets' attention to the significance of its actions.

Last week the Fed pumped cash into the banking system every day after the Dow dropped 508 points, putting saying it would supply liquidity to "support the economic and financial system."

"If it was 'Black Monday' last week, it was 'Black-and-Blue' Monday today," said Hugh A. Johnson Jr., head of the investment policy committee at First Albany Corp.

While some economists and analysts were initially encouraged by the Wall Street's more stable performance Friday, in which the Dow managed a 0.33 point rise, heavy losses in overseas trading shattered hopes that the market could better Monday, traders said.

Prices fell sharply in Tokyo and London overnight. The Hang Sen index in the Hong Kong market, which closed for four days after last Monday's 11 percent drop there, had a

record 33 percent drop Monday when it reopened.

The Dow fell 100 points in the first 40 minutes of trading even as President Reagan met with congressional leaders to lay the groundwork for negotiations on cutting the budget deficit in the hope that such action would restore some semblance of confidence in the financial system.

"The market wants to get a sense that there is a clear recognition in Washington of the magnitude of the problem," Mr. Johnson said.

Formal negotiations on curbing the federal budget deficit were set to begin Tuesday.

Mr. Johnson said solving pieces of the problem—federal budget and trade deficits and Third World debt—was not as important as the need for overall fiscal leadership from Washington.

"The markets need a response as dramatic as the decline itself was dramatic," he said.

The NYSE's sharp restrictions on program trading, imposed last week, were still in force Monday in an effort to reduce volume. In program trading huge blocks of stock are traded as professional investors, known as arbitrageurs, seek to profit from the difference between the current value of a stock and its estimated future value.

Southern Co. led the NYSE actives, falling 1 1/4 to 21 1/2. Pinnacle West followed, losing 1/2 to 28.

Travlers Corp. was third, sliding 1 1/4 to 39 1/4. Among actively traded blue chips, AT&T fell 2 1/2 to 26 1/4, Ford plunged 6 to 68, General Electric slid 4 to 42 1/2, American Express plummeted 4 1/4 to 22, IBM fell 3 1/4 to 112.

| Div. | Yld. | PE | 52 High | 52 Low | Open | Close |
|------|------|------|---------|---------|---------|---------|
| AW | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AX | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AY | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| AZ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BA | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BB | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BC | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BD | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BE | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BF | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BG | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BH | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BI | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BJ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BK | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BL | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BM | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BN | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BO | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BP | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BQ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BR | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BS | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BT | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BU | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BV | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |

| Div. | Yld. | PE | 52 High | 52 Low | Open | Close |
|------|------|------|---------|---------|---------|---------|
| BW | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BX | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BY | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| BZ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CA | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CB | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CC | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CD | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CE | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CF | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CG | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CH | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CI | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CJ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CK | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CL | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CM | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CN | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CO | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CP | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CQ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CR | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CS | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CT | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CU | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CV | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CW | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CX | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CY | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| CZ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DA | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DB | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DC | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DD | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DE | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DF | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DG | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DH | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DI | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DJ | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DK | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DL | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DM | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DN | 1.0 | 11.0 | 112 1/2 | 102 1/2 | 112 1/2 | 112 1/2 |
| DO | 1.0 | 11.0 | 1 | | | |

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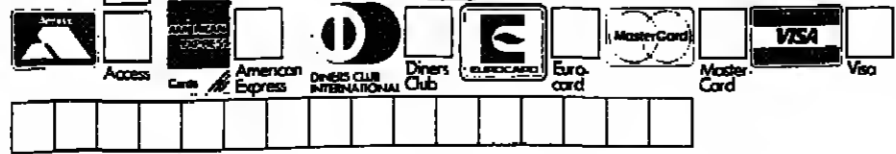
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|---|----------------------------|--------------------------|--------------------------|------------------------------|--------------|
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| Belgium B.Fr | 11,000 | 6,000 | 3,300 | B.Fr. 19.78 | B.Fr. 7,120 |
| Denmark D.Kr | 2,500 | 1,400 | 770 | D.Kr. 3.13 | D.Kr. 1,139 |
| Finland F.M | 1,700 | 950 | 520 | F.M. 3.25 | F.M. 1,183 |
| France F.F | 1,500 | 820 | 450 | F.F. 2.88 | F.F. 1,048 |
| Germany* D.M. | 750 | 370 | 175 | D.M. 1.11 | D.M. 484 |
| Gr. Britan £ | 150 | 72 | 40 | £ 0.24 | £ 88.40 |
| Greece Dr. | 22,000 | 12,000 | 6,600 | Dr. 49.56 | Dr. 18,040 |
| Ireland £.Ir | 150 | 82 | 45 | £.Ir. 0.34 | £.Ir. 123 |
| Italy Lire | 380,000 | 210,000 | 115,000 | Lire 756 | Lire 278,200 |
| Luxembourg L.Fc | 11,500 | 6,300 | 3,400 | L.Fc. 18.41 | L.Fc. 6,700 |
| Netherlands Fl. | 650 | 360 | 198 | Fl. 1.21 | Fl. 440 |
| Norway* N.Kr | 1,800 | 940 | 540 | N.Kr. 3.05 | N.Kr. 1,110 |
| Portugal Esc | 22,000 | 12,000 | 6,600 | Esc. 64.56 | Esc. 23,500 |
| Spain* Ptas | 70,000 | 36,000 | 19,800 | Ptas. 55.33 | Ptas. 20,140 |
| Sweden* S.Kr | 1,300 | 680 | 340 | S.Kr. 3.05 | S.Kr. 1,110 |
| Switzerland S.Fr. | 510 | 280 | 154 | S.Fr. 1.10 | S.Fr. 400 |
| Rest of Europe, North Africa, former Fr. ch. Alma, Middle East \$ | 430 | 230 | 125 | Varies by country | |
| Rest of Africa, Gulf States, Asia \$ | 530 | 270 | 135 | Varies by country | |

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| Fund Name | Symbol | Value | Fund Name | Symbol | Value | Fund Name | Symbol | Value |
|----------------------------|--------|-----------|----------------------------|--------|---------|-------------------|--------|---------|
| AL-MAL DROP | | \$ 291.5 | ERCT TRUST CO (JERSEY) LTD | | \$ 1.00 | JWI GSAM Interest | | \$ 1.00 |
| AL-Mal Trst. S.A. | | \$ 291.5 | E.S. S&L Heller | | \$ 1.00 | JWI GSAM Int'l | | \$ 1.00 |
| APAX FINANCIAL CO. | | \$ 100.00 | ERCT TRUST CO (JERSEY) LTD | | \$ 1.00 | JWI GSAM Int'l | | \$ 1.00 |
| APAX FINANCIAL CO. | | \$ 100.00 | E.S. S&L Heller | | \$ 1.00 | JWI GSAM Int'l | | \$ 1.00 |
| Bank Julius B&R & Co. Ltd. | | \$ 100.00 | ERCT TRUST CO (JERSEY) LTD | | \$ 1.00 | JWI GSAM Int'l | | \$ 1.00 |
| Bank Julius B&R & Co. Ltd. | | \$ 100.00 | E.S. S&L Heller | | \$ 1.00 | JWI GSAM Int'l | | \$ 1.00 |

AS - Australian Dollars; BF - Belgium Francs; C\$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; F.L. - Dutch Florin; Lira - Italian Lire; L.F. - Luxembourg Francs; M.Pes. - Swiss Francs; N.Y. - New York Dollar; Ptas. - Spanish Pesetas; S.Fr. - Swiss Francs; S.Kr. - Swedish Krona; T.S.D. - Thai Baht; Y.Yen - Japanese Yen; Z.Z. - Zairean Zaire.
Be sure that your fund is listed in this space daily. Telex: Matthew GREENE at 013597 for further information.

ACCOR
A HOTEL, CATERING AND SERVICE COMPANY

INTERIM RESULTS

For the six months ended June 30, 1987

| (in F.Fr. million) | Year 1986 | Year 1986 | Year 1987 | Change % |
|--|-----------|-----------|-----------|----------|
| Total sales volume | 12,935 | 6,150 | 6,992 | + 13.7 |
| Consolidated sales | 9,558 | 4,544 | 5,274 | + 16.1 |
| Net pre-tax earnings, excluding exceptional items (including minority interests) | 440.9 | 107.7 | 185.8 | + 72.5 |
| Net income, excluding exceptional items (Group share) | 231.45 | 38.0 | 53.6 | + 41.1 |

Accor has opened 74 hotel units since January 1, 1987, bringing the total in operation to 608 at the end of September. An additional 69 are under construction. Accor hotels now number 80,000 rooms, 50% of which are in countries outside France. In the catering field, 290 new contracts were signed, bringing the total number of restaurants served, to 2,220. The total volume of service vouchers issued has advanced 22%.

Group consolidated sales increased by 16.1%.

Keeping in mind that Accor's businesses are highly seasonal in nature, earnings for the first half are always very weak in comparison to earnings for the full year. Net after-tax earnings are in line with estimates. The greater increase in earnings before scope of consolidation, with particular regard to companies in the Netherlands and in Portugal.

The year so far has been highlighted by several events:

- In France: Formula 1, the low budget hotel chain concept, after a successful market testing phase, went into development stage, with one new opening per week since July 1987. Hotelia, specialized in residences for the elderly, now manages 5 hotels and the outlook for this concept is very promising.
- Abroad: Accor has decided to focus on development of its hotel business in North America, under management hotels in the U.S. and Canada in the next five years.
- In Asia: Accor entered an important new development phase with the signature of a 5th hotel contract in China, completion of a 1,000 room construction program in Thailand, including both a Novotel and a Sofitel in Bangkok, and establishment of 3 Earnings for the full year should be on target with our forecasts.

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By: The Chase Manhattan Bank, N.A.
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HT 27-10

PROGRAM: Curbs on Computer Trades Seem Certain

(Continued from first finance page) in Oct. 19's historic 508-point fall. The Chicago Mercantile Exchange estimated that "less than 20,000" of the 160,000 Standard & Poor's 500-index futures that changed hands last Monday, the day of the stock market's 508-point drop, were linked to computer-generated trades. The NYSE estimated that about 20 percent of its 600,000 transactions that day involved such trading, a bit higher than the figure for a normal day.

What the statistics do not show is the timing of those trades, which can be crucial in touching off a cascade of sales. In part, that is because each computer is programmed with a "threshold" set of prices, which kicks the program trade into action. But in part, it is because another computer technique, "portfolio insurance," intended to help limit an investor's risk, can interact in unexpected ways with the arbitrage programs.

Portfolio "insurance," a misnomer, is actually a hedging strategy that calls for investors to sell stock-index futures in a falling market. Losses in the stocks themselves are offset, at least in part, by gains in the sale of the future. If the market continues to fall, the investor can buy back the future and close out his position at a profit. Selling futures pushes down their price. And a wave of selling can enlarge the disparity between the price of the future and the prices of the individual stocks that in the aggregate make up the "basket." At that point, arbitrageurs enter the action, buying the underpriced future and selling the actual stocks that make up the basket.

Selling those stocks, however, designed under the assumption that some buyers would be available, failed.

For their part, the stock-index arbitrageurs say they have been blamed unfairly for last week's fall. They deny even participating in the market. For much of the time, they say, chaos in the markets made program trading impossible.

At times last week, huge spreads opened between bid and asked prices. Market information fell minutes or hours behind. On Tuesday, trading was halted in numerous stocks, making it impossible to compute a value for the basket that included them. Traders could not know whether price "spreads" would still exist by the time they executed trades.

Other arbitrageurs argue that stocks also fell in Tokyo and London, where there is no equivalent of the Chicago futures market.

But the statistics show that some program trading was taking place on Monday. NYSE officials say that once the sequence of events last Monday is unraveled, program trading will prove to have given the market a downward push, just as it gave it an upward push months before. And that, they believe, will lead to some form of regulation.

Whatever the investigations turn up, a growing number of traders consider it a political reality that some curbs will be imposed. In the minds of the public, they say, program trading conjures up images — albeit inaccurate, they insist — of a market guided by computers instead of the people who program them. It is a market in which small investors appear to be technologically overwhelmed.

The nature of likely curbs is harder to predict. Most likely, restrictions would limit the size or number of computer-assisted trades a broker could execute in a given day.

Market professionals say such a restriction would be far easier to police than the New York exchange's current "emergency" regulations, which prohibit computer-generated trades from being automatically "dumped" into the exchange's own computers and which prohibit brokerages from program trading for their own account.

It is still permissible, however, to design a client's trade on a computer and execute it by phone or by hand on the floor of the exchange.

The Chicago exchange's emergency measure, adopted after an S&P-500 contract dropped 60 points when the market opened Thursday, could become permanent, analysts say.

That restriction prohibits any contract from changing price by more than 30 points, or \$15,000, in one day's trading. Similar limits are common in commodity futures contracts.

'We can take our past studies on computer-based trading techniques, and toss them.'

— an official of the NYSE

SCENE: Warnings Were There

(Continued from first finance page) decapitalization of corporations was the dominant concern until the rise in interest rates challenged the restructuring process.

Concern about the stability of the dollar also brought into question whether the voraciousness of foreign appetites for American equities would continue. Last year and so far in 1987, foreigners were second only to mutual funds in net purchases of common stock.

In the 18 months to mid-1987, foreigners bought a net estimated \$35 billion. The mutual funds had become the dominant domestic buyers of equities during this period by taking down \$40 billion in shares.

As buyers, both foreigners and mutual funds had certain volatile characteristics. Foreigners responded quickly to interest-rate differentials and inflation developments in world financial markets. Many investors in mutual funds have become highly sensitized to domestic market changes.

Some investors regard mutual fund shares not as long-term investment vehicles, but as liquid investments having the potential for a higher rate of return. That ignores the downside risks.

Corporate stock retirements and foreign and mutual fund stock buying contrast with the more stable investor groups that dominated the equity market a decade ago. Then, private and public pension funds, with their steady inflow of funds and their conservative long-term investment behavior, were dominant.

The rapid growth of stock options and futures also contributed to the market's unstable structure. The daily average volume of trading in stock index futures and options rose from about \$11 billion in 1984 to \$35 billion during the past three months. So far this year, through early October, the volume of stock futures trading reached \$2.9 trillion, compared with \$1.9 trillion in actual stock transactions.

Many of these transactions in options and futures were designed to limit risk, as in the case of portfolio insurance transactions. But even here, as in program trading, the volatility of the market was severely exacerbated.

The new decision-makers in the financial markets are exceedingly skilled in analysis. They are ambitious and they are willing to take risks, but unfortunately their entrepreneurial drive has not been tempered by the lessons of history.

We should not be surprised that this is so. There are few schools of business in the United States that teach financial history. How can we remember the lessons of history if we have not been taught them?

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Monday's AMEX Closing

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trades elsewhere. In The Associated Press.

| 12 Month High | Low | Stock | Div. | Yield | PE | 52 High | 52 Low | Close | Chg. | Open |
|---------------|-----|-------|------|-------|------|---------|--------|-------|------|-------|
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |

| 12 Month High | Low | Stock | Div. | Yield | PE | 52 High | 52 Low | Close | Chg. | Open |
|---------------|-----|-------|------|-------|------|---------|--------|-------|------|-------|
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |

| 12 Month High | Low | Stock | Div. | Yield | PE | 52 High | 52 Low | Close | Chg. | Open |
|---------------|-----|-------|------|-------|------|---------|--------|-------|------|-------|
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |

| 12 Month High | Low | Stock | Div. | Yield | PE | 52 High | 52 Low | Close | Chg. | Open |
|---------------|-----|-------|------|-------|------|---------|--------|-------|------|-------|
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |

| 12 Month High | Low | Stock | Div. | Yield | PE | 52 High | 52 Low | Close | Chg. | Open |
|---------------|-----|-------|------|-------|------|---------|--------|-------|------|-------|
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |
| 27 | 27 | Amoco | 1.15 | 3.8 | 12.5 | 27 | 27 | 27.00 | 0.00 | 27.00 |

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| Dollars | Coupon | Next Bid | Ask |
|---------|--------|----------|-------|
| Amoco | 7.25 | 11-27-87 | 82.00 |
| Amoco | 7.25 | 11-27-87 | 82.00 |
| Amoco | 7.25 | 11-27-87 | 82.00 |
| Amoco | 7.25 | 11-27-87 | 82.00 |
| Amoco | 7.25 | 11-27-87 | 82.00 |

Pounds Sterling

| Coupon | Next Bid | Ask |
|--------|----------|-------|
| 7.25 | 11-27-87 | 82.00 |
| 7.25 | 11-27-87 | 82.00 |
| 7.25 | 11-27-87 | 82.00 |
| 7.25 | 11-27-87 | 82.00 |
| 7.25 | 11-27-87 | 82.00 |

Deutsche Marks

| Coupon | Next Bid | Ask |
|--------|----------|-------|
| 7.25 | 11-27-87 | 82.00 |
| 7.25 | 11-27-87 | 82.00 |
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Japanese Yen

| Coupon | Next Bid | Ask |
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| 7.25 | 11-27-87 | 82.00 |
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E.C.U.

| Coupon | Next Bid | Ask |
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| 7.25 | 11-27-87 | 82.00 |

Source: Credit Suisse-First Boston Ltd., London.

Monday's

in the Trib.

Get the latest word from

William Safire on Language.

FORBIGN & COLONIAL RESERVE ASSET FUND
A: U.S. DOLLAR "CASH" \$10.21
B: MULTICURRENCY "CASH" \$12.25
C: DOLLAR BONDS \$12.25
D: MULTICURRENCY BONDS \$15.91
E: STEERING BONDS \$11.66
F: DEUTSCHMARK BONDS \$10.66
G: YEN BONDS \$10.66
H: ECU BONDS \$10.66
I: STEERING EQUITY \$10.66
M: U.S. EQUITIES \$10.66
N: JAPANESE EQUITIES \$10.66
O: GLOBAL EQUITIES \$10.66
P: STEERING "CASH" \$11.57

Who's Crazy?
A leading economist recently recommended selling dollar-denominated financial instruments and buying West German Bonds of a firm which Indigo was buying plunging U.S. 1-Bond futures and shorting and shorting the Deutschmark. Somebody has to be dead wrong; and the Indigo track record indicates it may be the economist. Write, phone or telex for complementary coverage.

Indigo
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دکتر انوار الحق

MARKETS TAKE NEW PLUNGE: Hong Kong Is Badly Hit; the U.S. Dollar Tumbles

HONG KONG: Shares Plummet

(Continued from Page 1) forced many to sell into the falling market. But most reported that redemption activity was modest.

On the futures exchange, October contracts based on the Hang Seng index put the market barometer at 1,975, down 1,554 points for the day, a discount of 366 points against the cash market. That compares with a premium of 200 to 300 points above the index before the markets closed last week.

Trading was suspended in the November and December contracts after prices fell by their maximum daily limit of 150 points, news services reported.

Introduced just last year, the Hang Seng stock-index contract is the second most actively traded in the world behind the contract based on the Standard & Poor's 500-stock index.

A trader who bought a single Hang Seng futures contract on Monday last week for a minimum deposit of 15,000 Hong Kong dollars faces margin calls to cover 1.4 million dollars in potential losses.

The Hong Kong stock exchange will raise the amount it will reimburse members to as much as 2 million Hong Kong dollars per cus-

tomers, from a maximum of 500,000 dollars, the exchange chairman, Ronald Li, said Monday.

He said the increase would be financed by an additional payment of 30,000 dollars to the exchange's guarantee fund by each of the 1,000 members, Reuters reported. He said only a handful of members were now having financial problems and the amounts involved in

each case were between 2 million and 3 million dollars.

He also announced that the exchange would shorten its trading time by one hour for the remainder of this week, as it did Monday.

The exchange will conduct a collective delivery system at the trading hall from time to time to clear the backlog of transactions, Mr. Li said. He added the exchange had employed a senior executive to set

up a central clearing system for shares.



Hong Kong residents getting news of the exchange opening from a screen in a bank window.

Mr. Li said the exchange made the decision to suspend trading last week partly because there was no centralized clearing system.

The Hong Kong banking commissioner, Tony Nicolle, on Monday called on banks in the colony to take a "constructive approach" to borrowers who had used loans to buy shares.

DOLLAR: Weakness Unleashes Steep Decline in Stocks

(Continued from Page 1)

Otto Pohl, was to revise downward the reference ranges set for the dollar against other major currencies in the Louvre Accord of February. The dealers suggested that the United States wanted the dollar to fall to around 130 yen and 1.60 DM.

Economists, however, said such a decline seemed out of the question. "I just don't believe it," said Gert Schmidt, an economist with Industriekreditbank in Düsseldorf. "If the dollar fell to 1.60 DM, it would be a terrible blow to West Germany's exports and thus the economy as a whole. And it wouldn't do anything to help the U.S. trade deficit."

The trade deficit, Mr. Schmidt said, is caused more by strong, insatiable demand for imports in the United States and structural problems in the nation's economy, where manufacturing capacity in some sectors has outstripped so severely that export business is a faint hope and many companies that could export are unwilling to try to compete on a global scale.

"I'm highly skeptical," said Brendan Brown, an economist with CountryNatWest in London. "The dollar's outlook has deteriorated severely because of the market collapse, but I don't see the central

London Dollar Rates

Table showing London Dollar Rates for various currencies: Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc.

line of tight monetary policy if it is affecting their economy adversely."

A West German economist said that easing was possible but that the government was currently juggling some serious domestic economic problems, such as financing a tax-reform package, predictions of sharp growth in its own budget deficit in 1988 and a slowdown in the export economy.

These factors, combined with fear of inflation, which is more than real at the moment in West Germany, could severely limit the Bundesbank's options, he said.

In New York, the dollar closed at 142.35 yen, up from 141.775 on Friday; at 1.4655 Swiss francs, down from 1.4705; and at 5.9500 French francs, down from 5.9545.

The dollar was marginally higher against the British pound, which closed at \$1.0850, against \$1.0855 on Friday.

In London, the dollar closed at 142.25 yen, down only slightly from 142.45 on Friday; at 1.4635 Swiss francs, down from 1.4785, and at 5.9425 French francs, down from 5.9725.

The dollar was also lower against the pound, which closed at \$1.0875, against \$1.0753 on Friday.

Earlier in Europe, the dollar was fixed in Paris at 5.9180 French francs, down from 6.0385.

Monday's OTC Prices. NASDAQ prices as of 2 p.m. New York time. Via The Associated Press.

Table of OTC prices for various stocks, including columns for High, Low, and Close prices.

Table of stock prices for various companies, including columns for High, Low, and Close prices.

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Monday's MEX Closing. Tables include the following prices: use to the closing of Wall Street and do not reflect late trades elsewhere.

Table of MEX closing prices for various stocks, including columns for High, Low, and Close prices.

SPORTS

Twins Rally to Eke Out 4-2 Victory, Beat Cardinals in World Series

After Quite a Scare, Nice Guys Finish First

By Thomas Boswell

MINNEAPOLIS — Tickets to the first and second games of the World Series were scalped with ease for \$800 a pair. "The Pope Needs A Ticket," said one sign. Cars downtown had their horns honked all day. Police decided they'd have to enforce laws against passengers leaning out the windows of moving vehicles.

Saturday, for the sixth game, after the Minnesota Twins had lost three straight in St. Louis, scalpers were dumping tickets for half of face value: as low as \$20 each. Shops posted signs saying: "Sorry, Twins merchandise is not returnable." By the fifth inning Saturday, with the Cardinals ahead by three runs, the "Thunderdome" was a nice quiet place in which to read a book. Only an hour, and a grand slam later, policemen with fake dead cardinals taped on the bills of their blue hats had joined a conga line of fans by the beer stand. At 1:45 A.M., long after the Twins come-back that day, sleepers on the upper floors of high-rise hotels in downtown Minneapolis were being awakened by the nonstop boisterous of horns.

Sunday evening, once again, the pendulum of civic schizophrenia had swung and scalpers were in seventh heaven. "Compassion, please," said one sign. "Kids Have Ties." Dad needs one.

The northern steps have long had America's friendliest and most unashamedly die-hard fans. They enjoy, but do not trust, victory. They endure, but do not truly suffer, from defeat. They say it's a hybrid attitude, part Lutheran and certainly part Scandinavian. On the other hand, they're certainly human. They really like to get to chant "We're No. 1" at least once a lifetime.

Will a Homer Hankie to a favorite grandchild. For Minnesotans, Sunday was a night of glorious agony, testing all their swings of emotion, inquiring of their souls if they could really look defeat in the eye without tears. Can you come this close and not care to the roots of your toes?

The Twins and their fans had every right to feel the ghosts of their long and bleak history reaching up to tie their shoelaces and trip them. All the Homer Hankies began losing their magic as one mysterious and ominous happening after another bedeviled the Twins. In the very first inning, Jose Oquendo imbedded Gary Gaetti of an RBI double with a grand, imbedding Gaetti in right. In the second, the Cardinals slapped Frank Viola around like a base fiddle, four sharp singles producing two runs.

In the bottom of that inning the Twins, despite a hit batter and three hits, got only one run. And Don Baylor was thrown out at the plate by Vince Coleman. That is, the throw beat him by yards and umpire Dave Phillips called him out, but replays showed that catcher Steve Lake's tag was so slow and high that Baylor probably was safe.

Innings like that make one nervous. Especially when, not long after, there is an inning even more ominous: a single, a double off the center-field fence, a walk and a single to left — and one run? But then Kirby Puckett should not have tried to take third on a pick in the dirt that bounced only a yard from Lake's



Frank Viola quickly gave up two runs, then allowed only two more hits in eight innings.

foot. Was Puckett out by 10 feet or 20? And it didn't make stomachs any less acidic in Lake Wobegone territory when Gaetti, the languid Dr. Crack, was thrown out at the plate by Coleman, who hardly has the National League's best arm but charges balls at later speed and pegs it straight.

But as Whitney Herzog goes, so go the Cardinals. In the sixth game, he showed patience with John Tudor in the fifth inning when the team had a 5-2 lead and a fresh bullpen. As the manager said later, "Bam, bam, bam." Single, double, homer, single before Tudor leaves with nobody out, and everybody scores eventually. So, in the seventh game, Herzog shifted tactics. When starter Joe Magrane, working better than any other St. Louis pitcher in this Series, botched his job of covering first on a grounder, Herzog lifted him with one out and one on in the fifth. First pitcher to be knocked out of a Series by his own foot.

On came Cox and Willie Hernandez. Cox never got an out in the fifth, just Puckett and Baylor sliding into tags at bases. Then Cox walked the first two batters of the sixth. This is how you awaken Minnesotans.

By the time Todd Worrell had walked Roy Smalley, on his birthday, to load the bases, the decibel meters had been broken. When Worrell reached a full count on Greg Gagne, the Twins' worst hitter of the Series, the people of the state of Minnesota had made a decision. They gave their hearts. The Hankies waved and Gagne's foot reached first base a yard before third baseman Tom Lawless' throw. That was enough. For once, the good guys, the nice state, the team that had said "Please" for so long had finished first. And Minnesotans could scream "We're No. 1" all night.

All winter, too.

Pitcher Viola Named MVP

By Michael Martinez

MINNEAPOLIS — The Minnesota Twins, regarded as little more than intruders when major league baseball's postseason playoffs began almost three weeks ago, won their first World Series championship Sunday night with a stirring 4-2 victory over the St. Louis Cardinals inside the rancorous Metrodome.

It was the second championship in the history of the franchise, but the first since 1924, when it was won by the Washington Senators, the team that was moved to Minneapolis in 1951.

The Twins became the 10th club in 10 years to win the World Series, and they did it by coming from behind for a third time. They trailed this game by 2-0 in the second inning, then scored once each in the second, fifth and sixth and eighth.

They also did it behind gritty pitching from Frank Viola, the left-hander, working on three days' rest for the second time in the Series, struggled briefly in the second, then allowed only two more hits through the eighth. Jeff Reardon pitched a scoreless ninth, giving Viola his second victory in the Series.

The deciding hit in the deciding game was Greg Gagne's infield single in the sixth with the bases loaded. The Twins added a run for good measure in the eighth when Tim Lander hit a one-out single off Todd Worrell and scored on Dan Gladden's double to the fence in right-center.

Never had there been a World Series in which the home team won every game. But the dome, filled to capacity with 55,376 hanky-waving fans, became a security blanket for the Twins. They had this season's best record at home and one of the worst on the road. They came to the American League playoff with only 85 regular-season victories, then eliminated the favored Detroit Tigers in five games.

They beat St. Louis in the first two games here, lost three straight in Busch Stadium and were an unlikely choice to rally, despite returning home. But they did, leaving the Cardinals with two World Series losses in three years. St. Louis



Catcher Steve Lake, who had tagged out two Twins, was disheartened when Tom Laudner slid in with Minnesota's fourth run.

won the title in 1983. But lost it in 1985 to Kansas City.

Viola had hoped to atone for his dullish performance Wednesday in St. Louis, where he pitched only 3 1/2 innings, gave up five runs and took the loss in a defeat that tied the Series at two games apiece.

Sunday night, he seemed to be pitching on emotion in the first inning, striking out Vince Coleman to a backdrop of deafening cheers, then setting down Ozzie Smith and Tom Herr with minimum effort.

But, just as quickly, Viola's fortunes turned. In the second, the St. Louis batters appeared eager to swing at the first appealing pitch they saw, Jim Lindeman and Willie McGee each hit a first-pitch single. Tony Pena drove in Lindeman with a single to center, and Steve Lake hit a two-out, first-pitch single to left to score McGee for a 2-0 lead.

Viola found a second wind, retiring the next 11 hitters, while the Twins got back one run in the second, tied the game in the fifth and took the lead in the sixth.

in right-center field to make a shoetop catch of Gary Gaetti's fly ball with two out and a runner on first. In the second, Coleman threw out Don Baylor, who was trying to score from second base on a single by Laudner, although a television replay showed that umpire Dave Phillips probably missed the call.

And in the third, McGee ran deep into center field to make a leaping catch of Kirby Puckett's fly just in front of the fence.

The Twins, despite their ill-advised running, were able to tie the score by the fifth. They got one run in the second inning when Steve Lombardozzi lined a single to center to drive in Tom Brunansky from second, and they added one in the fifth after Whitney Herzog, the Cardinals' manager, replaced his starter, Joe Magrane, with Danny Cox, who had pitched 7 1/2 innings Thursday night in St. Louis.

Magrane got one out routinely, inducing Dan Gladden to ground out to shortstop. But the next batter, Gagne, hit a high bouncer wide of first base. Lindeman grabbed the ball and threw. Magrane, who was not quite at the bag, turned and appeared to drag his left foot across the top of the base just as Gagne ran by. But umpire Lee Weyer called

was at first base with a single when Viola threw over on a pickoff. Herr was an easy out in a rundown, but he appeared to get his foot back on first as the throw from Lombardozzi skipped off Kent Hrbek's glove and went to Viola, who applied the tag. Nonetheless, Weyer called Herr out.

In the bottom half of the sixth, there were more unusual things. Cox walked the first two batters, Brunansky and Hrbek, on five pitches each and was removed by Herzog. As he left, he five times shouted an expletive at Phillips, the plate umpire, and was ejected as he walked toward the dugout.

Worrell, the reliever who is usually saved for the late innings, was brought in. He got Laudner to punch out but walked Roy Smalley, fielding a throw from Lombardozzi on a 3-and-2 pitch to load the bases.

Gladden struck out before Gagne hit a sharp grounder toward third that bounced twice before it was flagged down by a diving Tom Lawless. Lawless rose quickly and threw, but Gagne, in a full-out sprint, beat the throw as Brunansky came in for a 3-2 lead.

Still, the Twins left the bases full when Worrell struck out Puckett to end the inning. This time, though, it wouldn't matter.

SCOREBOARD

Baseball table with columns for ST. LOUIS, MINNESOTA, and scores.

Football

NFL Standings table with columns for AMERICAN CONFERENCE and NATIONAL CONFERENCE.

Fans, and Giants, Come Storming Back



The Cardinals' quarterback, Neil Lomax, went down reluctantly under one of the Giants' five sacks during a 30-7 rout.

Compiled by Our Staff From Dispatches

NEW YORK — Five disorienting and disillusioning weeks filled with endless talk of contract bargaining, strikebreaking and anti-trust lawsuits had served to remind fans across the United States that football is as much a business as a sport — and as nasty a business as it is violent a sport. Sunday, providing small consolation for some and enormous relief for others, it was

NFL ROUNDUP

finally business as usual again in the National Football League.

Although numbers generally fell short of capacity, fans poured into stadiums throughout the league to watch the first games between complete teams of regulars since the players' strike began Sept. 22.

A total of 641,646 fans attended the days' 12 games — one less than normal since the Minnesota Vikings' game against the Denver Broncos was postponed until Monday night because of the final game of the World Series. On the last Sunday before the strike, 693,283 watched 13 games. Only 344,265 were at last Sunday's games.

The mood among the fans, shown repeatedly in national polls that supported management in the dispute with the players, was largely conciliatory toward the returning players. There were no reports of organized demonstrations and most of the boos were provoked by the performances on the field.

"I'm like two kids fighting in the playground," said Jerry Kannasta, standing in a small cluster of fans that quietly saluted the New York Giants as they entered the stadium for their game against the St. Louis Cardinals. "It wasn't justified and nobody won. But there was no question I'd come back when it was over."

At the start of the day, questions

of their lawn for as much as \$20 a car.

In the parking lots at Giants Stadium in East Rutherford, New Jersey, the scene was more sedate than celebratory. The disastrous 0-3 showing by the club's replacement team had left the defending Super Bowl champions with an 0-5 mark a third of the way into the season.

"It hurt," said Ken Mariak, who after attending Giants games for 35 years decided against coming out for the replacement games. "We've been and we missed it. But we're back with this team as losers before."

At the gate, where players slipped through a small crowd and a chain-link fence before heading down to the field, there was a mixture of gallows humor and genuine regret. Most of the encouragement offered was murmured, only the occasional autograph was sought.

"You come to see the game played," said Ken Cyle, standing beside a huge barbecue grill. "When you've been through 3-12-1, 0-5 is no big thing. We'll be here as long as the Giants have home games."

Up in the press box, George Young, the Giants' general manager, sat hunching and watching the crowd fill the stadium.

"We have no control over what the fans will do," said Young, who seemed more upset about the 4 P.M. starting time than he did about the lasting effects of the strike. "I'm actually here in solidarity with the players," said Joe Hernandez, who was among the 61,630 treated to a 37-20 victory over the Dallas Cowboys. "They were good union men. They stayed together. They deserve the support of a union city like Philadelphia."

Parking lots near the Coliseum in Los Angeles, all but empty during the Raiders' replacement games, were full more than an hour before the contest began. Area residents were once again able to see a piece

of the stands at Veterans Stadium directed their displeasure at Norman Braman, the team's owner.

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"The Bucks, depleted by an array of injuries and contract disputes, still were too strong, too quick and too talented for the Soviet team, which was without its best player, Arvids Sabonis, the 7-foot-2 (2.18-meter) center who has an Achilles' tendon injury, and which Saturday lost its replacement, Alexander Belostenko, to a sprained left ankle.

Against the Bucks' pressure defense, the Soviets made only 34 percent of their shots. Their three best players — forwards Valeri Tikhonchenko and Alexander Volkov and left-handed guard Sharmus Marchukelis — made only 12 of 46, and the team committed 24 turnovers.

Asked if the victory made the sort of statement concerning the NBA that the Bucks hoped to make, Terry Cummings said: "By the time we were up 40, I think so."

World Series

GAME 7 SUMMARY: MINNESOTA 4, ST. LOUIS 2. Minnesota wins Series, 4-3.

World Series box score table with columns for ST. LOUIS and MINNESOTA.

World Series MVPs

World Series MVPs table listing players and their teams.

World Series Composite Box Score

World Series Composite Box Score table.

NFL Standings

NFL Standings table with columns for AMERICAN CONFERENCE and NATIONAL CONFERENCE.

World Series MVPs

World Series MVPs table listing players and their teams.

World Series Composite Box Score

World Series Composite Box Score table.

NBA Bucks Rout Soviets

MILWAUKEE — Basketball, conceived and nurtured in the United States but now a sport played worldwide, remained an American game Sunday when the Milwaukee Bucks of the National Basketball Association beat the Soviet national team, 127-110, after leading by as many as 50 points in the final of the McDonald's Basketball Open.

"American basketball is the best basketball in the world," said Alexander Gornelski, the long-time Soviet coach whose team is considered to be among the best amateur clubs in the world. "Today to win was not possible."

It was the first game ever played between a Soviet team and an NBA team, and a convincing demonstration of basketball near its highest level.

"We did not know before the game that we were going to win," said Del Harris, the relieved coach of the Bucks. "We knew we were the favorites and that we virtually had to win. With four minutes to go, I looked at the players and didn't have to say anything. We knew it was over. Everybody laughed for the first time. It was a big relief."

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Soccer

Soccer table with columns for SPANISH FIRST DIVISION and JUNIOR WORLD CHAMPIONSHIP.

Golf

Golf table with columns for Top finishers and earnings in the Tucson Golf Tournament.

Hockey

Hockey table with columns for NHL Standings and SUNDAYS RESULT.

